

POVERTY REPORT

*The **Real** Story of Poverty in Macomb County*

Prepared by:

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Macomb County, Michigan



Macomb County is located in southeastern Michigan and comprises the northeastern portion of the Detroit Metropolitan Area. The county ranks third in population among the 83 counties in the state and, as of 2004, 57th out of 3,219 nationally. The estimated population as of July 1, 2004 was 822,660, representing an increase of 34,511 persons between 2000 and 2004. During that period, Macomb County added more residents than any other county in the region. It is projected that the population residing in Macomb County will reach 926,347 by the year 2030.

Macomb County encompasses a landmass of 482 square miles that includes a blend of urban, suburban and rural settings. It is recognized as a leader in business and industry. Macomb County houses over 325,000 employees with Manufacturing accounting for 36 percent of the workforce, Service Industries for 28 percent, and Retail Trade for 22 percent. Macomb County enjoys the state's third highest county real estate value (state equalized value) at \$32 billion, or 8.7 percent of the total state value. It has received the top rating from Moody's Investment Service in addition to being designated as a "Community of Economic Excellence" by the State of Michigan. In 2003, Macomb residents had a total personal income (TPI) of \$27.9 billion, third highest in the state. The 1990-2003 average annual growth in TPI for Macomb residents was 6.4 percent.

Over half of the landmass in the county is farmland, parkland, woodland, wetland or grassland. There are over 130,000 K-12 students enrolled in 22 public school districts with an additional 14,500 students enrolled in private schools.

Macomb County is served by eight acute care hospitals (1,342 beds), 24 nursing care facilities (3,870 beds), and three psychiatric hospitals (177 beds).

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What Does It Mean to be Poor in America?

This question can be answered by statistics that provide a demographic profile of who is poor, or it can be answered through a description of the impact poverty has on a person's life — how they solve the fundamental issues of finding work, shelter, food, child care, health care and transportation. It can also be answered by comparing the circumstances of the poor and the not poor, to see the similarities and differences in their lives. Finally, it can be answered through the perceptions and views of our community, as being poor is also an issue of perception as well as circumstance.

In the following material, all these aspects will be examined in turn, as we look to find a comprehensive answer to this question. As we examine each facet, we will add, as much as possible, the specific demographics, impact, circumstances and perceptions of Macomb County, using Census data, economic data, and surveys. We believe this will add to our understanding of what it means to be poor in our community in America.

What is Poverty?

Somewhat surprising, there isn't a single official answer to this question. When looking to define poverty statistically, there are two official federal government versions: the poverty threshold and the poverty guideline.

Census poverty threshold

The poverty *threshold* is prepared by the U.S. Census Bureau. These figures are used in the statistical analysis and annual estimate of how many people are in poverty. These Census poverty figures calculate poverty based on income. The official Census poverty threshold calculations are divided into aged and non-aged household units. Table 1 provides a ranking of Michigan counties by the percent of persons in poverty, based on 1999 income collected in the 2000 Census. A map of these data (Figure A-1) is provided in the Appendix. Table 2 provides similar information for Macomb County cities and townships. A map of these data is provided in the appendix as well (Figure A-2).

Macomb County's poverty rate of 5.6 percent placed it eighth lowest among Michigan's 83 counties. While the overall rate was low, it was still the case that over 44,000 Macomb County residents qualified as poor on this measure.

A community analysis shows a wide range of socioeconomic health across the county. Mount Clemens was the highest, with a poverty rate of 14.1 percent, followed by Center Line (13.3 percent), Memphis city (11.3 percent), and Lenox township (10.1 percent).

While community-level poverty rates provide a picture of the socioeconomic characteristics of the population within each community, a separate analysis is necessary to identify the distribution of need across the county. By calculating the percent of the county's poor by community it is possible to determine where need is most concentrated. Table 2, which provides this calculation as well, shows that the City of Warren (with only

a 7.4 percent poverty rate) contains 23 percent of the county's poor. When Sterling Heights (14.7 percent) and Clinton township (12.5 percent) are added, just over half of the county's poor population is accounted for.

Table 1. Number and Percent of Persons Below Poverty by County

County	Persons in Poverty		County	Persons in Poverty	
	Number	Percent		Number	Percent
Isabella	11,687	20.4%	Mackinac	1,235	10.5%
Lake	2,072	19.4%	Kalkaska	1,708	10.5%
Houghton	5,563	16.8%	Sanilac	4,580	10.4%
Wayne	332,598	16.4%	Ontonagon	796	10.4%
Mecosta	5,960	16.1%	Alger	917	10.3%
Clare	4,918	16.0%	Presque Isle	1,469	10.3%
Luce	895	14.9%	Wexford	3,096	10.3%
Oceana	3,875	14.7%	Manistee	2,403	10.3%
Ingham	38,421	14.6%	Gratiot	3,837	10.3%
Oscoda	1,365	14.6%	Huron	3,645	10.2%
Gogebic	2,389	14.4%	Cass	4,987	9.9%
Ogemaw	2,983	14.0%	Bay	10,605	9.7%
Saginaw	28,603	13.9%	Delta	3,594	9.5%
Arenac	2,294	13.9%	Branch	3,979	9.3%
Gladwin	3,544	13.8%	Dickinson	2,452	9.1%
Genesee	56,480	13.1%	Jackson	13,417	9.0%
Montmorency	1,307	12.8%	Antrim	2,064	9.0%
Chippewa	4,167	12.8%	Kent	49,832	8.9%
Osceola	2,908	12.7%	Ionia	4,858	8.7%
Berrien	20,202	12.7%	Midland	6,818	8.4%
Crawford	1,756	12.7%	Hillsdale	3,709	8.2%
Keweenaw	274	12.7%	Tuscola	4,647	8.2%
Iosco	3,398	12.7%	Charlevoix	2,064	8.0%
Alcona	1,453	12.6%	Shiawassee	5,546	7.8%
Roscommon	3,107	12.4%	St. Clair	12,674	7.8%
Cheboygan	3,187	12.2%	Emmet	2,266	7.4%
Schoolcraft	1,036	12.2%	Allegan	7,639	7.3%
Kalamazoo	27,483	12.0%	Monroe	10,161	7.0%
Newaygo	5,471	11.6%	Benzie	1,103	7.0%
Menominee	2,855	11.5%	Otsego	1,563	6.8%
Muskegon	18,752	11.4%	Lenawee	6,340	6.7%
Iron	1,419	11.3%	Grand Traverse	4,490	5.9%
St. Joseph	6,900	11.3%	Eaton	5,948	5.8%
Calhoun	15,094	11.3%	Macomb	44,010	5.6%
Van Buren	8,334	11.1%	Oakland	65,478	5.5%
Baraga	896	11.1%	Barry	3,089	5.5%
Washtenaw	33,450	11.1%	Ottawa	12,655	5.5%
Mason	3,069	11.0%	Lapeer	4,654	5.4%
Montcalm	6,394	10.9%	Leelanau	1,128	5.4%
Marquette	6,592	10.9%	Clinton	2,963	4.6%
Missaukee	1,529	10.7%	Livingston	5,228	3.4%
Alpena	3,278	10.5%			

Table 2. Number and Percent of Persons Below Poverty for Macomb County MCDs

Community	Persons in Poverty		% of County	Community	Persons in Poverty		% of County
	Number	Percent			Number	Percent	
Armada twp	103	2.0%	0.2%	Mount Clemens	2,206	14.1%	5.0%
Bruce twp	333	4.1%	0.8%	New Baltimore	255	3.5%	0.6%
Center Line	1,099	13.3%	2.5%	Ray township	69	1.8%	0.2%
Chesterfield twp	1,765	4.7%	4.0%	Richmond twp	300	6.2%	0.7%
Clinton twp	5,500	5.8%	12.5%	Richmond twp	192	5.9%	0.4%
Eastpointe	2,174	6.4%	4.9%	Roseville	3,781	7.9%	8.6%
Fraser	639	4.2%	1.5%	St. Clair Shores	2,332	3.7%	5.3%
Harrison twp	1,396	5.7%	3.2%	Shelby twp	2,391	3.7%	5.4%
Lake twp	2	3.8%	0.0%	Sterling Hts	6,480	5.2%	14.7%
Lenox twp	727	10.1%	1.7%	Utica	316	7.0%	0.7%
Macomb twp	1,038	2.1%	2.4%	Warren	10,112	7.4%	23.0%
Memphis	92	11.3%	0.2%	Washington twp	708	3.7%	1.6%

Health & Human Services Poverty Guidelines

The poverty *guideline* is the other official version of poverty that is commonly available. These figures are calculated each year by the U.S. Department of Health & Human Services (HHS), and published annually in the Federal Register. The guideline is a simplification of the Census poverty thresholds. The HHS poverty guidelines are regularly used to determine financial eligibility for government programs such as Head Start or Food Stamps. HHS poverty guidelines differentiate by size of household and have higher income levels for Alaska and Hawaii. (The Census poverty threshold doesn't make this geographic distinction.) The 2004 HHS Poverty Guidelines are found in Table 3.

Table 3. Health & Human Services 2004 Poverty Guidelines

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$9,310	\$11,630	\$10,700
2	12,490	15,610	14,360
3	15,670	19,590	18,020
4	18,850	23,570	21,680
5	22,030	27,550	25,340
6	25,210	31,530	29,000
7	28,390	35,510	32,660
8	31,570	39,490	36,320
For each additional person, add	3,180	3,980	3,660

Source: *Federal Register*, Vol. 69, No. 30, February 13, 2004, pp. 7336-7338

Finally, although not specifically called a poverty guideline, eligibility for government funded housing programs is based on *area median family income* figures, also calculated by the U.S. Census. Households are classified as *low income* if household income for the family size is at or below 80% of median income, and *very low income* if household income for the family size is at or below 50% of median income. The 2004 Housing & Urban Development (HUD) area median family income for Macomb County, which is a figure used for all counties in the Detroit metropolitan area, is \$66,800. Table 4 sets out the 2004 HUD Low and Very Low Family Median Income (FMI) limits for Macomb County and family size.

Table 4. HUD 2004 Low & Very Low Family Median Income Limits

Family Size	80% FMI	50% FMI
1 person	\$39,150	\$24,450
2 persons	\$44,750	\$27,950
3 persons	\$50,350	\$31,450
4 persons	\$55,900	\$34,950
5 persons	\$60,400	\$37,750
6 persons	\$64,850	\$40,550
7 persons	\$69,350	\$43,350
8 persons	\$73,800	\$46,150

Source: U.S. Dept. Housing and Urban Development, FY 2004
(<http://www.huduser.org/datasets/il/il04/Section8.xls>)

Basic Needs Calculations

Another method used to define poverty is to answer the question, “What does it cost to cover the basic, no frills, needs of a household?” A family is considered poor if the household income is below this basic needs budget. Calculations on what can be included in a basic needs budget come from a variety of national and state sources. For example, the Michigan League for Human Services¹ includes in its basic needs calculation, Housing, Utilities, Transportation, Food, Health Care, Child Care, Clothing/household supplies and Taxes as necessary budget items. The formula for calculating the cost of each item is described below.

Housing. The fair market rent for apartments are set each year by the U.S. Department of Housing and Urban Development (HUD), based on prior year data on market rate rents in the local area. These are called “fair market rents” (FMR) and are set by the number of bedrooms in the apartment. The FMR is set at the 40th percentile of rents in the area² and includes both shelter costs and utility costs (except for telephone service).

¹ “Economic Self-Sufficiency in Michigan,” published in March 2004 by the Michigan League for Human Services, provided baseline information for constructing the basic needs budget for Macomb. The calculations of the individual budget components in this report differ somewhat based on the sources used. As there is no universal method of calculating a “basic needs budget,” it is recommended that users consult a range of alternate sources.

² The 40th percentile denotes the level at which the cost of 40 percent of rental housing in the area [in Macomb County’s case it is the 6-county Detroit PMSA] is lower and 60 percent is higher.

The FMR for a one-bedroom unit is used to calculate the housing costs for a single individual, and a two-bedroom FMR is used for a single parent with two children and a two-parent family with two children. For FY2005, the FMR for a one-bedroom apartment in Macomb County was \$670, up from \$663 in FY2004, while the FMR for a two-bedroom apartment is \$805, up from \$801 in FY 2004. Table 5 provides the full range of FY 2005 fair market rents, by number of bedrooms, for Macomb County.

Table 5. HUD 2005 Fair Market Rents

0 Bedrooms	\$606	3 Bedrooms	\$962
1 Bedroom	\$670	4 Bedrooms	\$992
2 Bedrooms	\$805		

Source: U.S. Dept. Housing and Urban Dev., FY 2005

Food. The U.S. Department of Agriculture (USDA) calculates a low cost food plan³, adjusting it each year for the cost of living increases from the Consumer Price Index (CPI). In November 2004, the low cost food plan cost for a family of one adult (female 20-50 years of age) and two children, under age 5, was \$4,342 annually or \$361.80 a month. When the family consisted of a couple (both 20-50 years of age) and two children under 5 years of age, the amounts rose to \$6,562 and \$546.80, respectively. (<http://www.usda.gov/cnpp/FoodPlans/Updates/foodjan04.pdf>)

Utilities. According to the Department of Labor’s 2003 Consumer Expenditures Survey, utility costs are one of the most volatile expenditures in consumers’ budgets. Using the 2003 Survey (the most recent published), and adjusting it to 2004 dollars using CPI, one finds that consumer households with income in the lowest 20% nationally spent an average of \$1,182 annually on utility costs. This averages \$98.51 per month. As this is already accounted for in the fair market rent, we do not add it to the budget but provide it for informational purposes only.

However, as stated earlier, telephone expenses are not included in the FMR and thus must be calculated separately. The 2003 CES reports that these households spend an additional \$577.23 annually on telephone expenses, averaging \$48.10 per month.

Transportation. The transportation costs are based on the cost of owning and operating a car – the assumption being that families own a private vehicle, since access to adequate public transportation is limited in most areas of Macomb County, and the rest of the state. Costs per mile are from the IRS cost per mile rate of 37.5 cents for 2004. This includes the cost of gas, insurance, registration and licensing, vehicle maintenance and

³ The official source of this information is the Low-Cost Food Plan of the U.S. Department of Agriculture’s Cost of Food at Home. The Low-Cost Food Plan was selected as the basis for this budget because it corresponds to the spending patterns of the bottom one-third of income groups. According to the Dept. of Agriculture, the plan provides for a nutritious diet using generic and less expensive foods. It does not include the cost of “convenience food” items such as TV dinners, canned soups, frozen pizzas, or other items that do not require preparation.

depreciation. While specific values for the number of miles driven by families for work and work-related expenses are not available, data from the U.S. Department of Transportation's 2001 National Household Travel Survey produce an estimate of 833 miles per month (10,000 miles per year) for work and family needs for a single person, a single-parent family and a two-parent family in which only one parent is working, and 968 miles per month (11,617) per year) for a two-parent family in which both parents work. Utilizing the 2004 IRS mileage rate, the costs work out to \$312.38 monthly (\$3,750 per year), and \$363 monthly (\$4,356 per year), respectively.

Health Care. Health care expenses in the 2003 Consumer Expenditure Survey for the lowest 20% income households, and adjusted by the CPI, are \$1,473 annually or \$122.73 monthly. This figure includes the cost of health insurance premiums (if available), prescriptions and nonprescription drugs, medical services and medical supplies not covered by health insurance.

Clothing/Household supplies. The calculation of an average annual cost of \$2,335 (\$194.58 monthly) for a household with income in the bottom 20% of households comes from combining expenditures for clothing, personal care products and services, and housekeeping supplies/household necessities, in the 2003 Consumer Expenditure Survey, adjusted by the current CPI.

Child Care. The Michigan League for Human Services, in its 2004 Economic Self-Sufficiency report, base their childcare costs on the 2003 Provider Survey by the Michigan Community Coordinated Child Care Association. The costs reflect average full-time (45 hours per week) day care costs, as reported by providers in childcare centers, group family day care and family day care homes for all age groups. The child care cost estimate assumes all children are not of school age and therefore require full-time child care. Child care costs across the state average \$450 per month for each child. Costs vary by the type of child care the family chooses. For Day Care Centers, the average cost across the state is \$481 per month for one child, while Family and Group care averages \$449 per month for one child.

Taxes⁴. Federal, state, and payroll taxes are estimated based on a family's income, and reflect receipt, when applicable, of the federal Child and Dependent Care Tax Credit, the federal Earned Income tax Credit (EITC), and the federal Child Tax Credit. Taxes include federal personal income, federal Social Security and Medicare payroll, and state income taxes. City income taxes are not included in the estimates because many Michigan residents do not pay city tax. Michigan's six percent sales tax is also not included.

⁴ Background information and tax calculations reported here utilize data provided by the Michigan League for Human Services in their report, "Economic Self-Sufficiency in Michigan," published in March 2004.

Table 6. Building a Basic Needs Monthly Budget for Macomb County

Need Item	Macomb County
Housing/Utilities (2 bedroom)	\$805.00
Food	\$361.80
Telephone	\$48.10
Transportation	\$312.38
Health Care	\$122.73
Clothing/Household supplies	\$194.58
Child care (2 children)	\$1,022.00
Taxes	\$345.00
<i>Monthly Cost</i>	<i>\$3,211.59</i>
<i>Annual Cost</i>	<i>\$38,539.08</i>

Comparing the official HHS poverty guideline budget with the pre-tax Basic Needs budget, it can be seen that the amount of income needed to bring a family out of poverty is closer to 200%, and, in the case of single parent families – 250%, than 100% of the HHS poverty guideline.

Table 7. Federal Poverty Guideline 2003 Compared to Basic Needs Budget

	HHS Poverty Guideline at 100% for Family size	Basic Needs Budget for Family size (Macomb County)	Basic Needs Budget as Percentage of Poverty Guidelines
Single parent / 1 child	\$12,490	\$31,261	250%
Single parent / 2 children	\$15,670	\$38,539	246%
Two parents / 1 child	\$15,670	\$33,478	214%
Two parents / 2 children	\$18,850	\$40,759	216%

[Recent, and forecast, demographic trends in Macomb County will be introduced throughout this report and discussed with regard to their implications for the county's poverty population and resulting need for services. We begin with population, vital statistics and age trends.]

Population Trends

Population change occurs in any geographic area as a result of two major components:

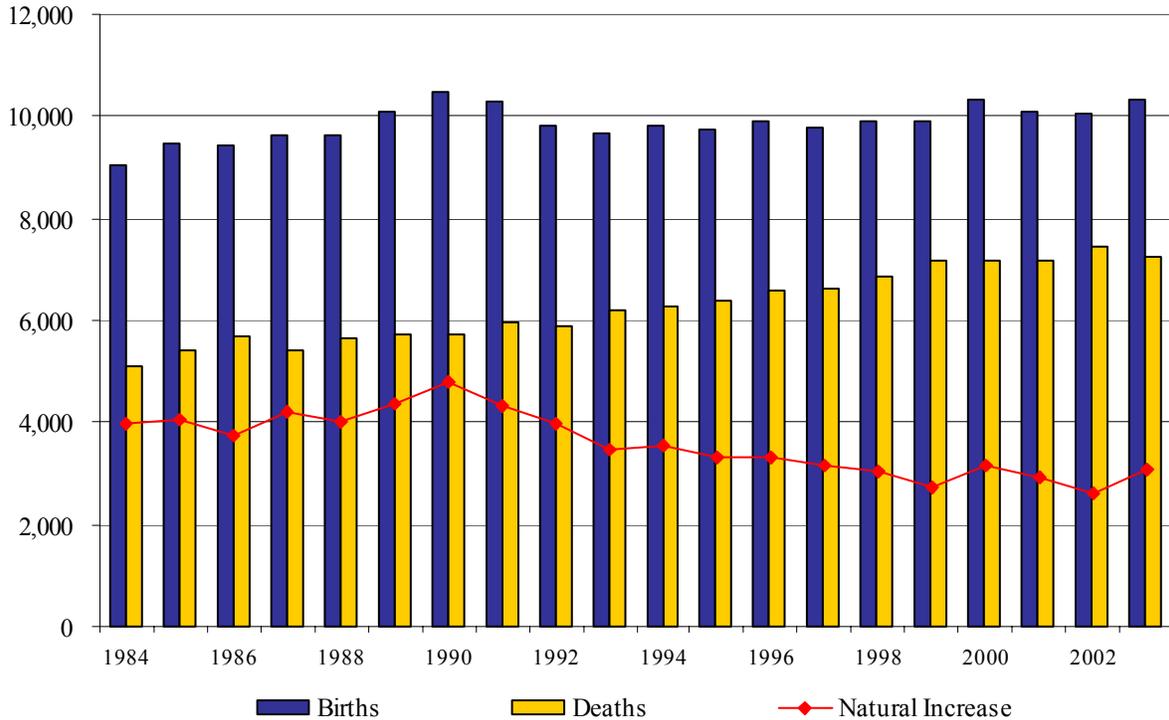
1. Natural Increase – The number of births minus the number of deaths
2. Net Migration – Domestic Migration – International Migration

During the 1990s, Macomb County found itself to be a net out-migrant county as it lost 7,170 more domestic migrants than it gained. Out-migrants moved to other parts of the Detroit region, elsewhere in Michigan and other parts of the country. These migrants tended to be primarily retirees, with smaller numbers of younger, college-educated individuals looking for employment opportunities in other metropolitan areas. Most of this loss – 6,024 - was made up for by international migrants coming to the county to live.

Since 2000, Macomb County has become a net in-migrant county on both the domestic and international side. Between 2000 and 2003, the county added 10,246 domestic migrants and 7,587 international migrants. Much of the domestic gain can be attributed to Oakland County residents relocating to Macomb (primarily to communities north of M-59) for new housing and lower taxes, and Wayne County residents, primarily from Detroit, relocating to communities on the southern end of the county (Warren, Eastpointe, Fraser, etc.), for better schools, lower crime, and lower tax and insurance rates. The result of these migration trends, coupled with natural increase (see below), resulted in Macomb County outdistancing all other Michigan counties in growth during the early years of this decade.

As stated above, natural increase is the difference between births and deaths. The late 1980's and early 1990's represented the period of greatest increase. Births were at a high point (highest in 1990) and deaths were relatively low. The number of annual births fell during the 1990's but broke through the 10,000 mark again in 2000 (first time since 1991), and has stayed there through 2003. However, due to the aging of the population, resulting in increasing numbers of deaths, the rate of natural increase has changed very little over this time, with a slight jump between 2002 and 2003.

Figure 1. Births, Deaths and Natural Increase in Macomb County, 1984-2003



Source: MI Dept of Community Health

While the components of natural increase are interesting to track as a way of understanding population shifts within the county, a further analysis of the characteristics of these components can assist in the identification of current and future service needs. A study of mortality trends (too complex for the current study) will help to point out health care needs at various ages across the lifespan. Infant mortality trends point to issues of maternal care and health outreach. The study of death rates by disease type will point out areas where Macomb County may differ from the norm, leading to the design of programs to address the causes. If such deaths are viewed as preventable, programs of in-house support, assistance with medication, transportation assistance, etc. may be identified as necessary. Finally, trends in deaths by accident, suicide and homicide and other “preventable” causes need to be identified early and dealt with.

The Annie E. Casey Foundation published for the first time in 1999 a report entitled *The Right Start: Conditions of Babies and Their Families in America’s Largest Cities*. In introducing this report, and those that have followed, the Foundation stated: “The circumstances and conditions under which a baby is born have lifelong implications. A child whose mother receives little or no prenatal care is far more likely to experience chronic health problems than other children whose mothers did receive prenatal care. A woman who smokes or drinks during pregnancy may visit long-term damage on the

children she bears. An infant born into a family that is poor faces a considerably greater risk of not reaching his or her full potential.”

The following chart examines several of the measures that Casey has used to understand the circumstances and conditions under which babies are being born in Macomb County, over the period 2000 through 2003. It is these conditions that can point to potential problems down the road.

Table 8. Birth Characteristics of Macomb County Mothers and Children, 2000 - 2003

	< high school	Unmarried	Smoked	Low Birthweight	First Trimester
2000	10.9	20.1	16.4	6.8	85.9
2001	11.2	20.7	15.2	7.3	85.8
2002	10.9	20.5	14.1	7.6	86.0
2003	10.8	21.9	13.5	7.8	84.6

Source: MI Dept. of Community Health

Table 8 shows that the percent of births to women without a high school diploma has remained consistently around 11 percent. This is less than the state average of 17 percent, and between Wayne County’s 24 percent and Oakland County’s rate of 8 percent. The share of births to unmarried women jumped almost 2 percentage points in the last year and stands at slightly more than 1 of every 5 births. The incidence of the mother smoking during pregnancy has shown a consistent decrease, while the percentage of mothers not having prenatal care during the first trimester and the incidence of low birthweight have both increased. It is most important that these factors be monitored at the community level because variations are bound to occur in conjunction with race/ethnicity and socioeconomic status. County trends must be addressed by focusing on areas of greatest need.

Ageing Trends

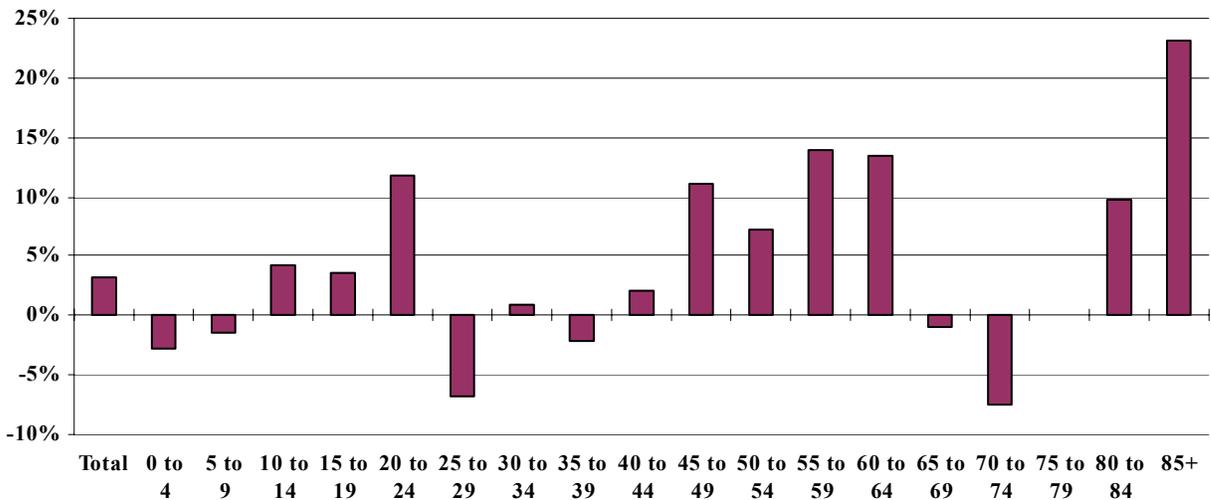
Macomb County’s population is aging, a fact that will have wide reaching consequences for future service delivery needs. Recently released Census Bureau age estimates for 2003, reveal that the majority of growth in the county is coming in the age cohorts of 45 years and above. As far as the senior population is concerned, while the 65 through 79 year cohorts showed no change or a loss (due to lower cohorts born during the depression and pre-World War II period), the 80-84 years and 85 years and over cohorts showed the largest percentage increases of any.

Table 9. Population by Age Estimates for Macomb County, 2000 - 2003

Age Category	2000 Census	Population Estimates				2000 - 2003 Change	
		7/1/2000	7/1/2001	7/1/2002	7/1/2003	Number	Percent
Total	788,149	790,861	799,886	806,909	813,948	25,799	3.3%
0 to 4	51,062	51,235	50,702	50,238	49,612	-1,450	-2.8%
5 to 9	54,125	53,887	53,440	53,386	53,345	-780	-1.4%
10 to 14	53,865	54,077	54,915	55,692	56,161	2,296	4.3%
15 to 19	48,685	48,775	48,961	49,521	50,435	1,750	3.6%
20 to 24	44,772	45,384	47,553	49,095	50,072	5,300	11.8%
25 to 29	54,689	54,119	52,687	51,062	50,975	-3,714	-6.8%
30 to 34	61,025	61,235	61,831	62,010	61,565	540	0.9%
35 to 39	66,185	65,890	65,826	65,233	64,752	-1,433	-2.2%
40 to 44	66,318	66,510	67,447	67,857	67,700	1,382	2.1%
45 to 49	57,616	58,099	60,339	62,243	64,054	6,438	11.2%
50 to 54	50,645	51,502	53,231	53,823	54,351	3,706	7.3%
55 to 59	40,135	40,493	42,122	43,937	45,742	5,607	14.0%
60 to 64	31,376	31,660	32,299	33,799	35,598	4,222	13.5%
65 to 69	28,012	27,965	27,529	27,395	27,738	-274	-1.0%
70 to 74	27,968	27,912	27,644	26,910	25,888	-2,080	-7.4%
75 to 79	23,825	23,938	23,840	23,854	23,820	-5	0.0%
80 to 84	15,957	16,084	16,647	17,152	17,507	1,550	9.7%
85+	11,889	12,096	12,873	13,702	14,633	2,744	23.1%

Source: Census Bureau

Figure 2. Percent Change by Age Cohort for Macomb County, 2000 - 2003



Source: Census Bureau

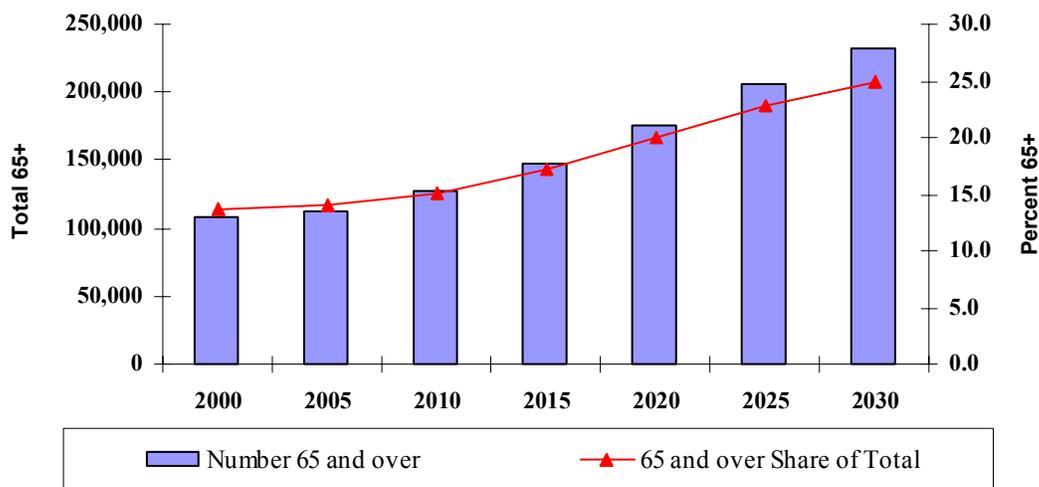
The Southeast Michigan Council of Governments (SEMCOG) produces population forecasts that are utilized for transportation planning purposes. Their forecast for Macomb County is represented in the following table. These data truly illustrate the need to begin planning for an aging population. While the forecast does not allow us to look at age detail to the same degree that the previous estimates did, we are able to see the rapidly increasing senior (65 years+) population that is forecast for the county.

Table 10. Population by Age Forecast for Macomb County, 2000 – 2030

	2000	2005	2010	2015	2020	2025	2030
Total	788,149	810,096	836,020	858,335	882,410	907,554	930,420
0 - 4 years	51,060	51,246	53,075	53,969	54,028	54,769	56,051
5 - 17 years	138,723	136,993	133,431	133,184	135,633	138,237	139,578
18 - 34 years	178,438	177,439	179,677	185,057	184,922	184,690	185,392
35 - 64 years	312,277	331,302	343,291	338,761	331,866	323,438	316,865
65 years+	107,651	113,116	126,546	147,364	175,961	206,420	232,534
0 - 4 years	6.5	6.3	6.3	6.3	6.1	6.0	6.0
5 - 17 years	17.6	16.9	16.0	15.5	15.4	15.2	15.0
18 - 34 years	22.6	21.9	21.5	21.6	21.0	20.4	19.9
35 - 64 years	39.6	40.9	41.1	39.5	37.6	35.6	34.1
65 years+	13.7	14.0	15.1	17.2	19.9	22.7	25.0

Source: Southeast MI Council of Governments (SEMCOG)

Figure 3. Macomb County's Senior Population, 2000 - 2030



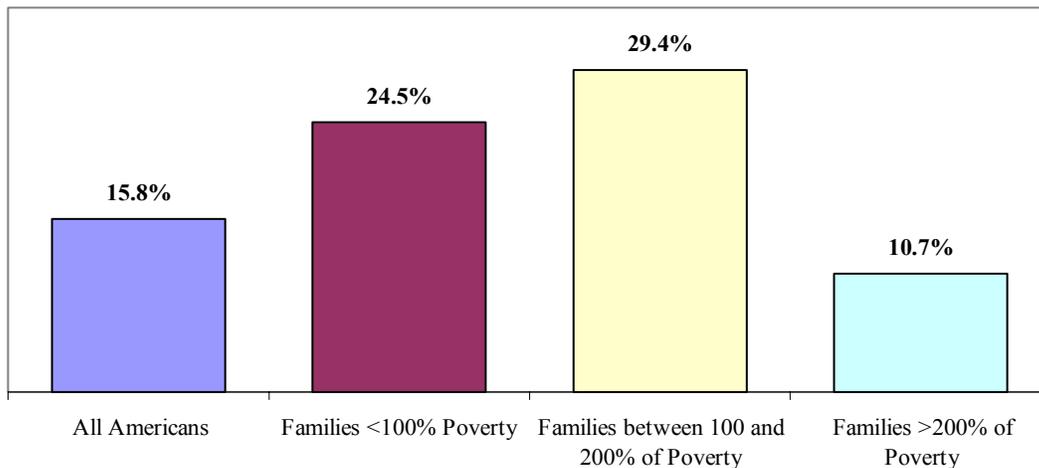
Source: Southeast MI Council of Governments (SEMCOG)

Hardship in Meeting Needs Below 200% of Poverty

Data from surveyed households in the National Survey of American Families (NSAF)⁵ show that those living below 200% of poverty have a significantly greater difficulty in meeting essential expenses when compared to either those households below 100%, or over 200%, of poverty. This is consistent with the household expense data setting the realistic basic needs budget at roughly 200% of poverty.

Critical hardships in meeting basic needs are found in three areas: food sufficiency, adequate housing and health care coverage. The NSAF, which surveys households in thirteen states, including Michigan, shows there is evidence that households below 200% of poverty suffer more critical hardships than do either those below 100% or poverty or those above 200% of poverty. In this survey, families are asked, among many other questions, whether in the last 12 months anyone in the household: 1) missed meals because there was not enough money for food; 2) moved in with other people because they could not afford mortgage, rent or utility bills, or 3) did not get, or postponed getting, needed care or surgery. In analyzing the responses to these questions, those households with income between 100% and 200% of poverty were most likely to suffer one or more of these critical hardships.

Figure 4. Percent of Households Reporting One or More Critical Hardships



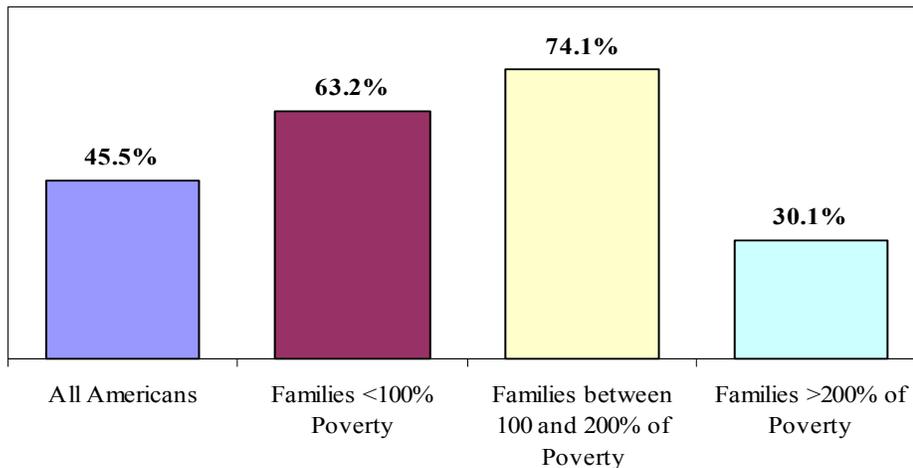
Source: Economic Policy Institute analysis of 1997 NSAF data. **Hardships in America, 2001: Boushey, Heather, et al.**

When examining a set of less critical hardships, but still serious deprivations for families, the NSAF data again shows that families living below 200% of poverty level are more likely to have one or more significant hardships than those living above 200% or those living below 100% of poverty. “Significant hardship” in the survey data examined was

⁵ The survey is representative of the noninstitutionalized, civilian population of persons under age 65 in the nation as a whole and in 13 states: Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin. Together, these states are home to more than half the nation's population and represent a broad range of state characteristics in terms of fiscal capacity, child well-being indicators, and approaches to government programs.

defined as: 1) Worried about having enough food; 2) Emergency room is main source of health care; 3) Have no health insurance coverage; 4) Unable to make housing or utility payments; 5) Telephone disconnected; 6) Child cares for self; 7) Child not in after-school activities; or, 8) Inadequate adult-to-child ratio at child-care facility used.

Figure 5. Percent of Households Experiencing Serious Hardships, by Income Level



Source: Economic Policy Institute analysis of 1997 NSAF data. **Hardships in America, 2001:** Boushey, Heather, et al.

2002 Hardship Update⁶

Preliminary analysis of 2002 survey results indicates that about half of low-income parents reported some food hardship in 2002. Although the strong economy helped ease food hardship among low-income parents between 1997 and 1999, that gain was erased over the succeeding three years. Housing hardship among all parents did not diminish between 1997 and 2002, even though overall family income improved somewhat. Moreover, low-income single parents reported significant increases in housing hardship, particularly between 1999 and 2002. These findings reflect the difficulties parents have in stretching their incomes to cover the food and housing needs of their families, especially when the economy is weak and housing costs are rising.

The share of parents living in poor and low-income families dropped significantly between 1997 and 2002⁷. In 1997, 13.9 percent of parents were living in families with incomes below the federal poverty thresholds, but by 2002 that share had fallen to 10.5

⁶ The 1997, 1999, and 2002 rounds of the National Survey of America's Families (NSAF) asked adults under age 65 if they or anyone else in their families had worried that food would run out before they got money to buy more, had actually run out of food, or had eaten less or skipped meals because there wasn't enough money to pay for food. Families that experienced one or more of these situations in the previous 12 months were considered to have food hardship. In addition, the survey asked whether adults had been unable to pay their mortgage, rent, or utility bills at any time during the previous 12 months.

⁷ Macomb County experienced an increase in poverty between 1999 (2000 Census) and 2002 (American Community Survey). The poverty rate for all persons increased from 5.6 to 7.3 percent. The 2003 ACS estimates a drop back to 6.1 percent. These data will be discussed later in this report.

percent. Similarly, 34.4 percent of parents were living in low-income families in 1997, but by 2002 only 29.3 percent were. Both single and married parents experienced declines in poverty and low-income status between 1997 and 2002. Still, the majority of single parents were in low-income families in 2002, compared with less than one-quarter of married parents.

Food hardship declined among single and married parents alike between 1997 and 2002. This finding generally tracks the trends reported by the U.S. Department of Agriculture (USDA) for adults and households with children. Most of the decline in food hardship found by the NSAF occurred between 1997 and 1999; the measure did not change significantly for either group of parents between 1999 and 2002.

For low-income parents, the pattern was different. Overall, the share reporting one or more food-related problems declined between 1997 and 1999 but rose again after 1999. Hardship is generally more pervasive among single parents than married parents, however, reflecting the difference in number of adults contributing to family income. Nearly 60 percent of single low-income parents reported some food hardship in 2002, while less than half of married low-income parents did. Although both groups reported declines in food hardship from 1997 to 1999, single low-income parents saw no significant change between 1999 and 2002, whereas married parents saw food hardship rise again to the 1997 level.

Housing hardship was unchanged between 1997 and 2002, regardless of income. In all three years, about 15 percent of all parents and 28 percent of low-income parents reported having experienced housing hardship in the previous 12 months. Marital status made a difference in low-income families' experience of housing hardship. More than one-third of single low-income parents reported housing hardship in 2002, compared with less than one-quarter of their married counterparts. Moreover, hardship rose among single low-income parents, from 32.0 percent in 1997 to 35.4 percent in 2002, while it fell among married low-income parents, from 25.8 percent in 1997 to 23.1 percent in 2002. Most of the increase in housing hardship among single parents occurred between 1999 and 2002.

Food and housing hardship are important indicators of well-being. Patterns in these indicators drawn from the three rounds of the NSAF indicate that food hardship among low-income parents is likely to increase during weaker economic times. Housing hardship rates appear less sensitive than food hardship rates to economic fluctuations overall, but housing hardship increased for single parents during the recent downturn. Low-income single parents are especially vulnerable to food and housing hardship because their wages must cover all of their families' costs - a difficult feat with one paycheck.

What do these numbers mean in Michigan and in Macomb County?

The 2000 Census reported that Michigan’s poverty rate was almost 2 percentage points below the national average, while Macomb County’s rate was just over half that of the State. The Detroit MSA rate was slightly higher than that of the State and, thus, almost double that of the county, due primarily to the high rate of poverty (16.4 percent) in the metro area’s largest county – Wayne. While the percentage of persons below 200% of poverty (roughly the basic needs budget) in Macomb County shows an increase (2.9 times) over the 100% rate that is larger than any of the other areas, the result, 16.3 percent, is still significantly less than that of the nation, state or metropolitan area. is also below the statewide rate, but Hillsdale has a higher rate of persons at 200% of poverty than the statewide percentage. This is an indicator that Hillsdale families are proportionally in lower income households.

Table 11. Total Persons at 100% and 200% of Poverty

	United States	Michigan	Detroit MSA*	Macomb County
Total Population	273,882,232	9,700,622	4,383,962	779,440
Number at 100% of Poverty	33,899,812	1,021,605	469,575	44,010
Percent - 100%	12.4%	10.5%	10.7%	5.6%
Number at 200% of Poverty	81,194,609	2,468,283	1,042,167	127,104
Percent - 200%	29.6%	25.4%	23.8%	16.3%

* Detroit MSA is comprised of Lapeer, Macomb, Monroe, Oakland, St. Clair and Wayne counties.

Source: 2000 Census: SF3

While no comparable data are available for Macomb County⁸, separate analyses of data from the Census Bureau’s Current Population Survey show increases in the poverty population at both the national and state level. National rates for 2002⁹ indicated a 670,000 person increase in the poverty population, though the rate was reported at 12.1 percent. The number of persons below 200% of poverty rose by almost 6 million and the rate increased to 30.5 percent. An analysis by Michigan’s Family Independence Agency¹⁰ calculated that 145,000 more Michigan residents were below the poverty threshold in 2002, increasing the rate to 11.6 percent, and that almost 500,000 more residents had incomes below 200% of poverty, with the resultant rate rising to 29.3 percent.

⁸ The Census Bureau began conducting the American Community Survey (ACS) in Macomb County in 2000. While the methodology differs from the Current Population Survey (CPS), and data are not available at 200% of poverty, the results do reflect an increase in the number and percent of people in poverty between 2000 and 2002.

⁹ CPS numbers tend to run slightly lower than those of the Census and thus cannot be directly compared. While the Census recorded a 12.4% poverty rate based on 1999 income, CPS reported a 11.8% poverty rate. (<http://ferret.bls.census.gov/macro/032003/pov/toc.htm>)

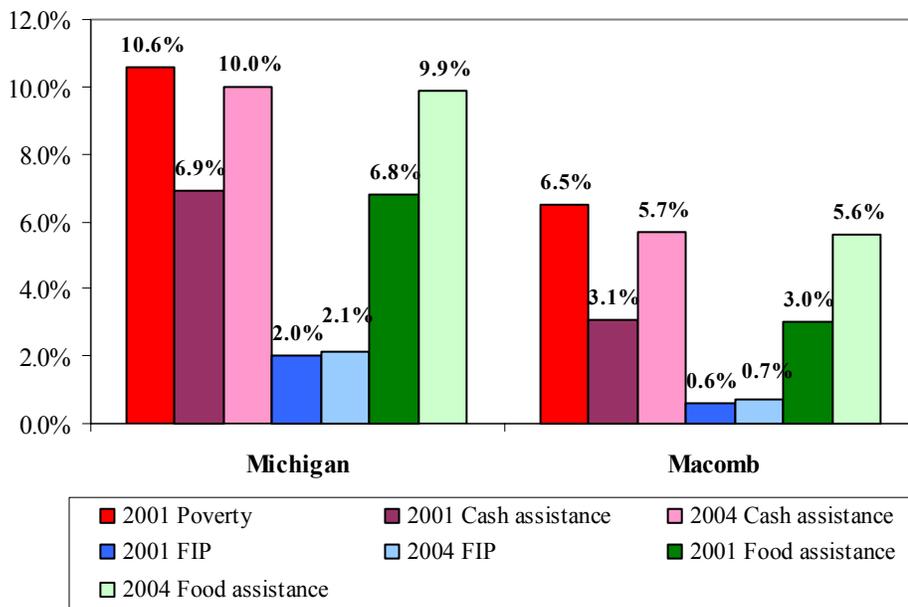
¹⁰ 2002 Michigan Poverty Profile (http://www.michigan.gov/documents/FIA-RptPovProfile02_94043_7.pdf)

Public Benefits Cash Grants and Poverty

According to September 2002 Michigan Family Independence Agency statistics, 30,837 persons received public assistance income in Macomb County during the year ending in September 2002. This translates to 3.8 percent of Macomb’s total population. While the county’s population increased by 2.1 percent between 2002 and 2004,¹¹ the number of persons receiving public assistance income in September 2004 increased by 50.7 percent to 46,467¹². The resultant rate of public assistance receipt rose to 5.7 percent.

Not all people living below 100% of poverty receive public assistance (of any kind) or cash assistance (FIP) from FIA. Comparing 2001 data for percent in poverty and percent receiving public assistance, FIP payments and food assistance, only a little over half of those in poverty received any public benefit in 2001. It is apparent that the percent of residents receiving benefits, in both Michigan and Macomb, increased between 2001 and 2004. We are unable, however, to determine how these numbers track with poverty as no 2004 poverty estimates are available.

Figure 6. Comparison of Poverty Rate to Receipt of Public Benefits



Sources: U.S. Census Bureau, ACS 2001; and FIA Program Statistics, Sept. 2001 and 2004, Table 4

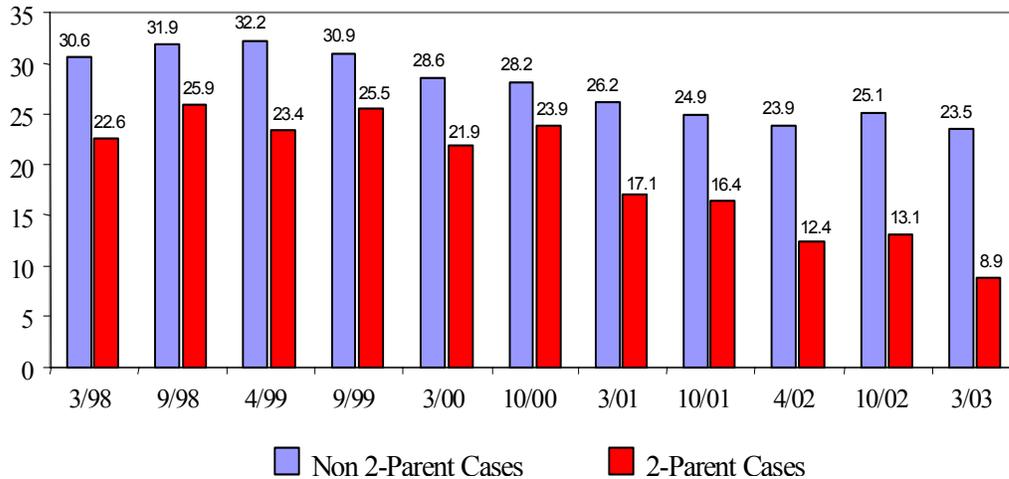
Although Michigan has not established time limits for receiving public assistance, most households receive public assistance for a relatively short period of time. The average number of months a FIA case remains open has been dropping, with some variation, since 1999,

¹¹ Population estimates utilized for this analysis are produced by the Southeast Michigan Council of Governments (SEMCOG). They can be downloaded from the website – www.semco.org.

¹² Data are derived from annual Program Statistics report produced by the Michigan Family Independence Agency. (http://www.mi.gov/documents/PUB170-2004_111735_7.pdf) These numbers are taken from Table 4.

despite the slowing Michigan economy (Figure 4). Figures just released for April 2004 indicate a further decrease to 21.8 months for Non 2-Parent cases and 7.7 months for 2-Parent cases.

Figure 7. Average Number of Months on FIA Assistance



Source: FIA Welfare Reform Data Monitoring, March 2004 (http://www.michigan.gov/documents/FIA-WelfareReformMonitoringJan-Mar04_90631_7.pdf)

In Michigan, the public welfare benefits of TANF and Food Stamps are handled by the Family Independence Agency. Eligible households with minor children receive a Family Independence Payment (FIP) grant based on other household income and the family size.

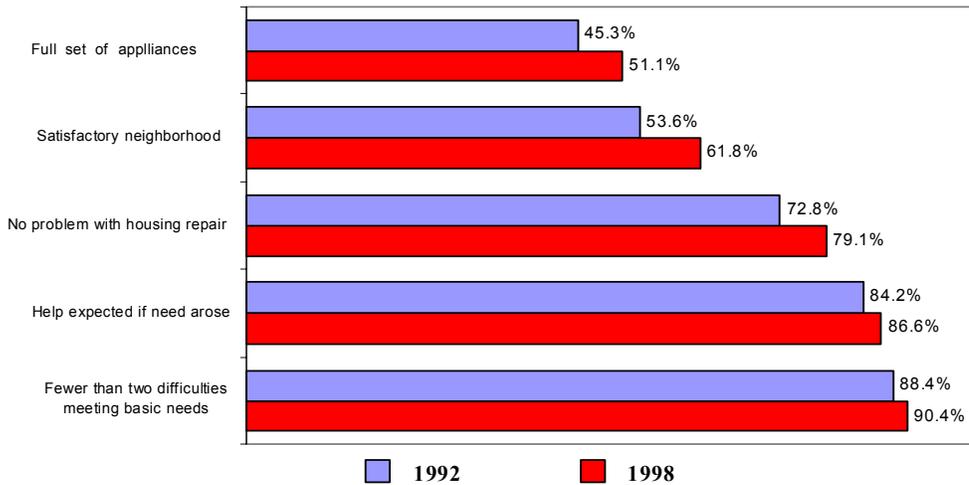
Economic Well-Being as Measure of Poverty

In addition to measuring poverty strictly by income, the U.S. Census has developed a measure of “well-being” that consists of five factors. These consider: 1) whether a household possesses selected appliances and goods, 2) the housing conditions and the household’s evaluation of housing comfort, 3) neighborhood and community conditions, 4) the household’s ability to meet basic needs – paying bills, having food, etc., and 5) whether help would be available if it were needed.

The U.S. Census has been tracking these measures of well-being over time, most recently in 1998, with the results released in March 2003.

- ***Changes in Well-Being Indicators.*** Survey respondents show improvement in all five indicators when comparing 1992 to the most recent 1998 data.

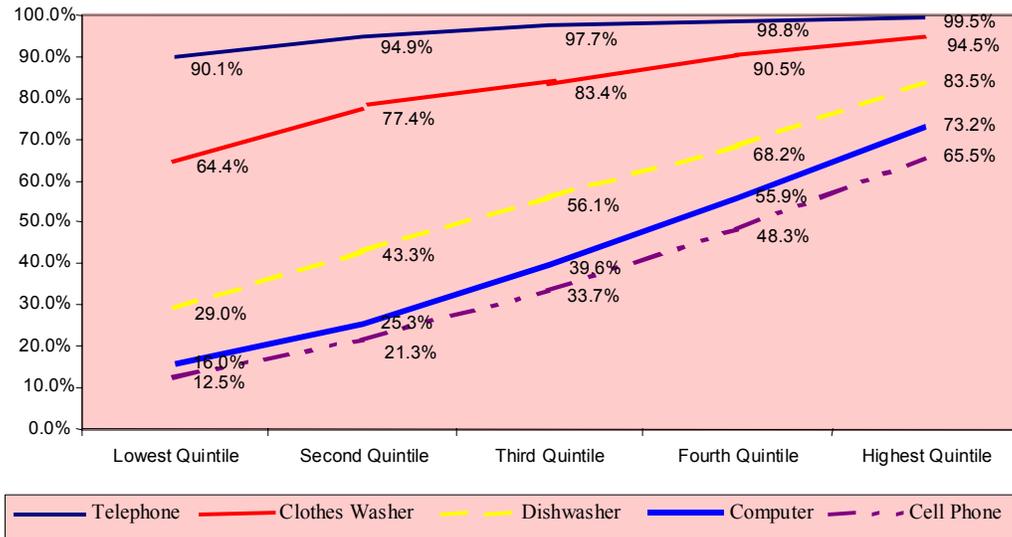
Figure 8. General Indicators of Well-Being for All Households



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

- Consumer Goods Ownership.** By 1998, possession of appliances and electronic goods varied considerably. Telephones are nearly universal, with 96% of all households having at least one, while less than half of all households have computers or cell phones. Ownership of the selected consumer goods varies by income for all goods except telephones (Figure 6).

Figure 9. Percent of Consumer Goods Ownership, by Income



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

In 1998, the lowest income quintile ranged from \$0-\$16,115; the 2nd quintile included households with up to \$30,408 in income; the 3rd up to \$48,337, the 4th up to \$75,000 and the 5th included all households with annual incomes above \$75,000.

- Housing Conditions.** In 1998 most households were satisfied with their housing and its comfort. Satisfaction did vary by household composition, however. Hispanic households, disabled households and unmarried households with children were less likely to live in pest free housing. Disabled households were most likely to have a leaky roof or ceiling. Unmarried households with children have the most problems with housing overall. (Figures 10 through 13 are all derived from the same source: *U.S. Census Bureau, Survey of Income and Program Participation, 1998*).

Figure 10. Home in Good Repair, by Household Characteristics

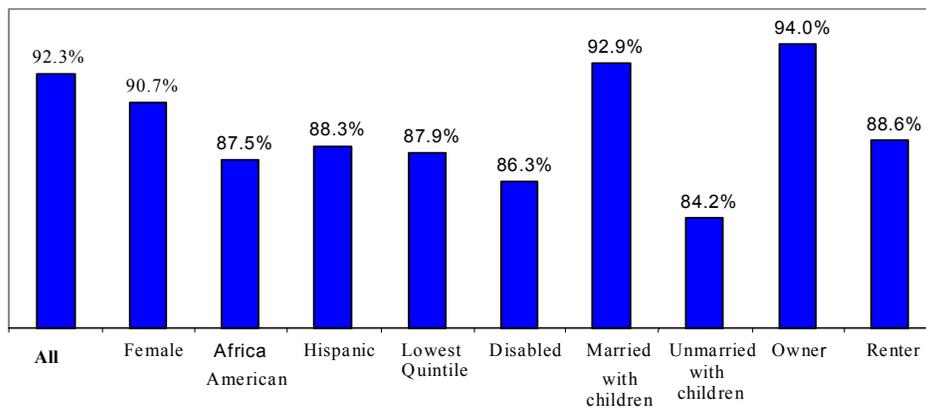


Figure 11. No Insects or Pests, by Household Characteristics

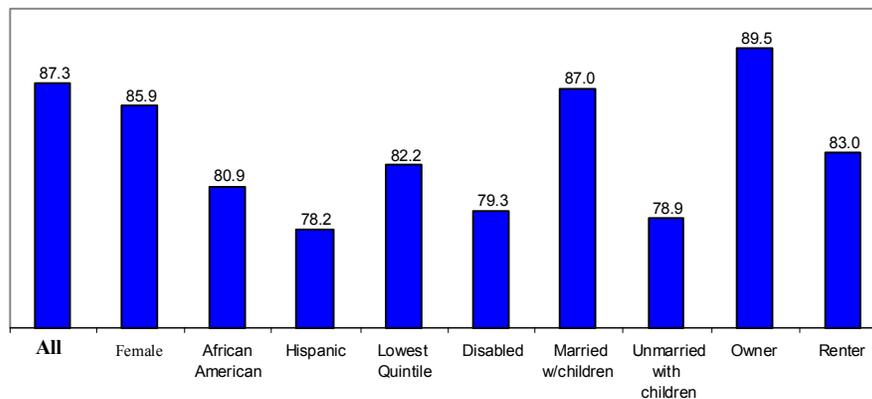


Figure 12. Roof Does Not Leak, by Household Characteristics

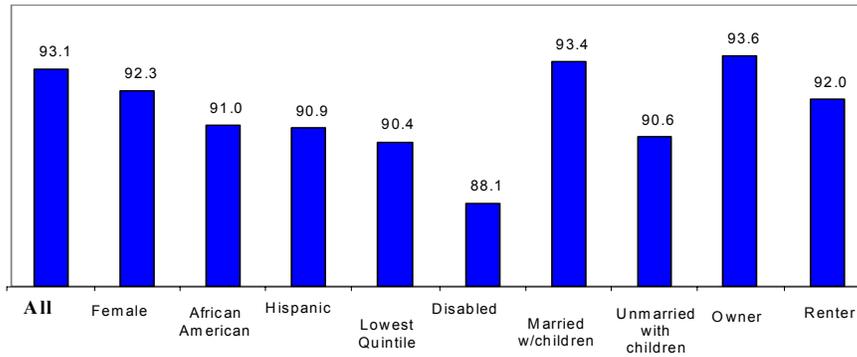
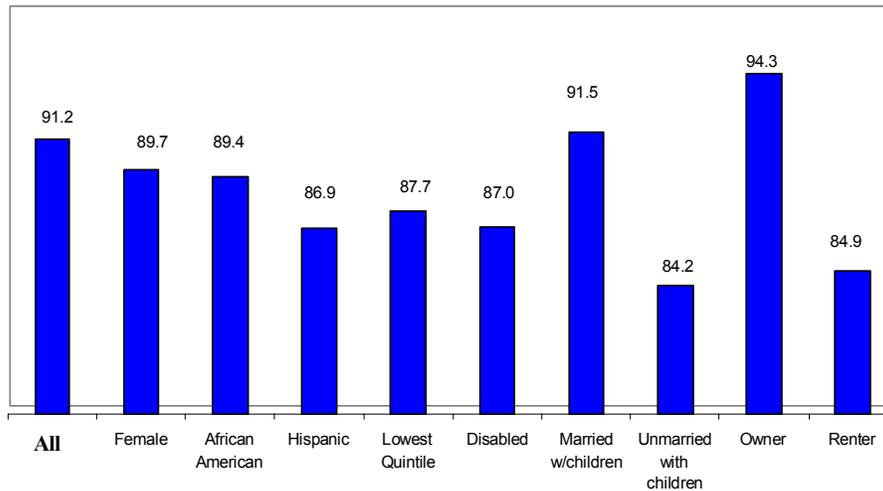
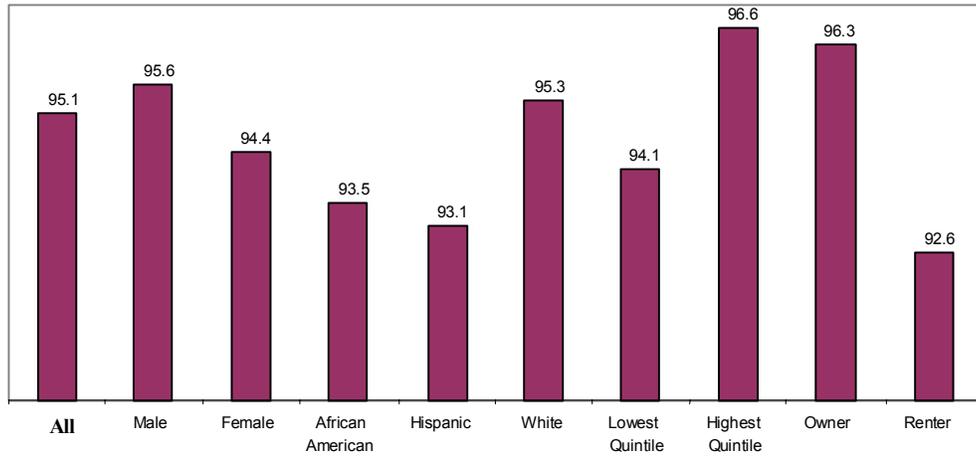


Figure 13. House Warm in Winter, by Household Characteristics



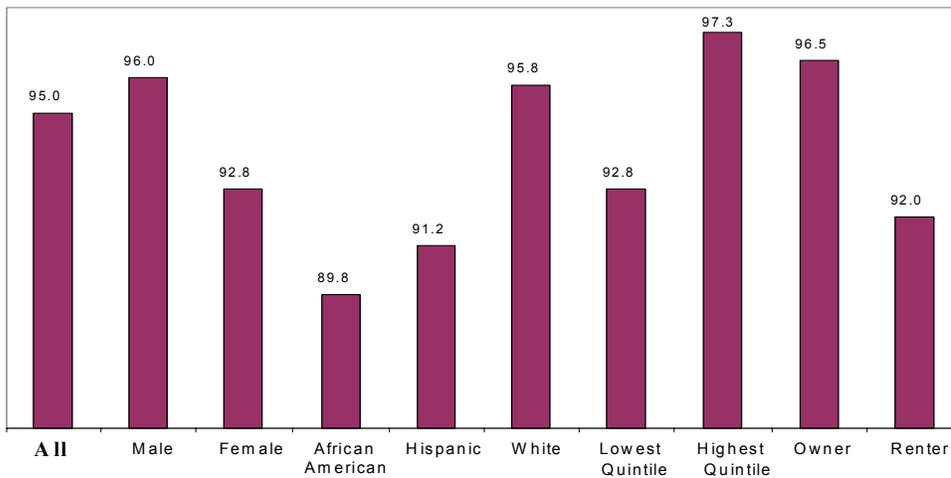
- Neighborhood Condition and Community Services.** The Census survey asks residents about their fear of crime, trash or litter in neighborhood, satisfaction with police and health services, relations with neighbors and overall satisfaction with the neighborhood. Overall, 95% of households were somewhat or very satisfied with the neighborhood in which they lived; 89% were satisfied with the hospital, health clinics and doctors available; 95% reported good relations with their neighbors.

Figure 14. Good Relations with Neighbors, by Household Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

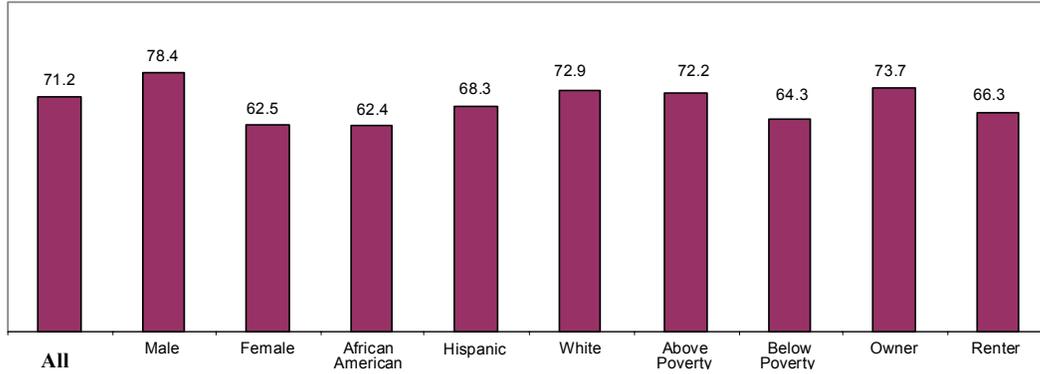
Figure 15. Satisfied with Neighborhood, by Household Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

When looking at the Safe to Walk in Neighborhood within one mile of home by selected characteristics, the survey shows that women perceive their neighborhoods less safe than men; renters less safe than homeowners; and, those living below poverty consider neighborhoods less safe than do those with income above poverty.

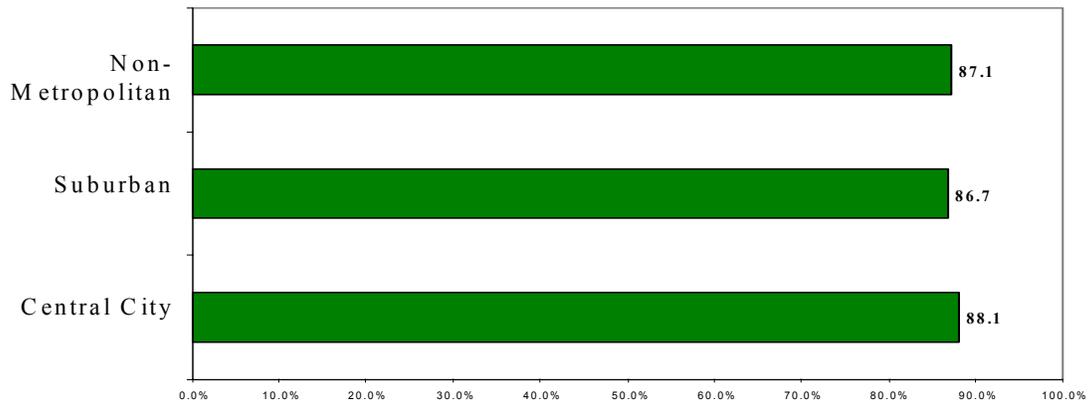
Figure 16. Safe to Walk within Neighborhood, by Household Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

- **Satisfaction with Schools.** Households with children under 18 were asked about satisfaction with public schools. There were no significant differences between city, suburb and non-metropolitan (rural) residents in the Census Well-Being Survey.

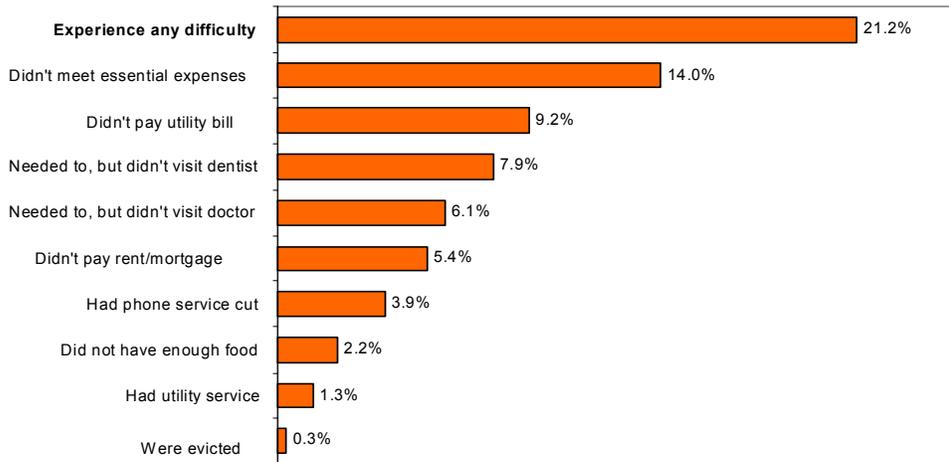
Figure 17. Satisfaction with Schools, by Geographic Location



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

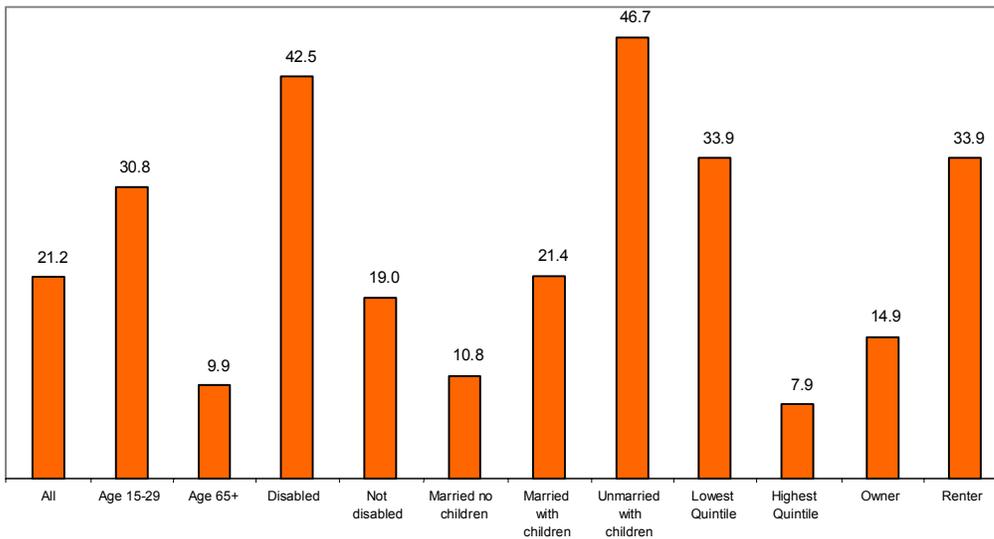
- **Meeting Basic Needs.** Households are surveyed on whether there was a time in the last 12 months that they did not meet an “essential expense.” Overall, 21.2% responded that they did have a problem meeting an expense. The specific difficulty most frequently stated was not paying a utility bill (9.2%).

Figure 18. Difficulty Meeting an Essential Expense



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

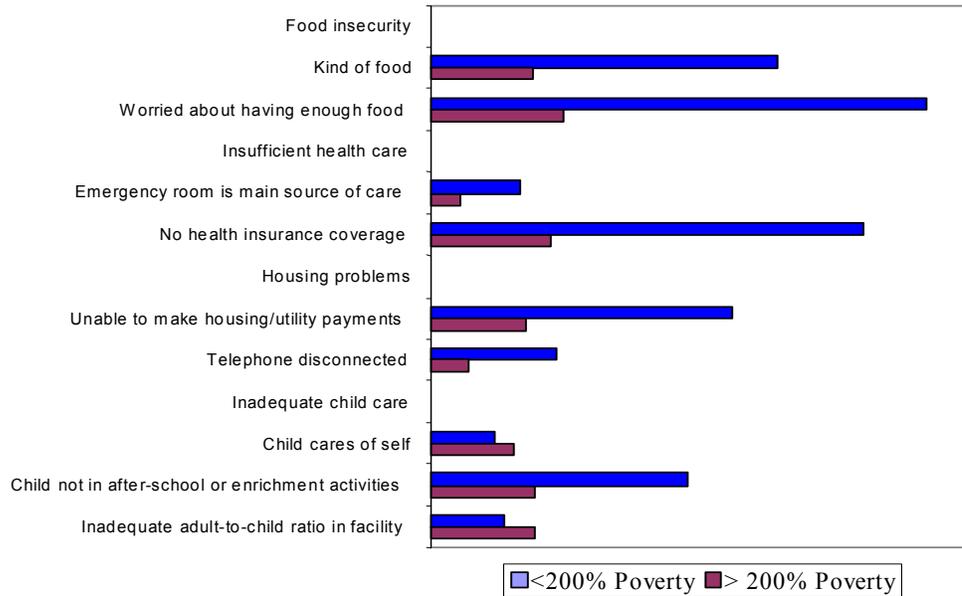
Figure 19. Difficulties in Meeting Basic Need Expenses by Selected Characteristics



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

Consistent with the household expense data setting the basic needs budget at roughly 200% of poverty (rather than at 100% of poverty), those living below 200% of poverty have significantly greater difficulty in meeting essential expenses.

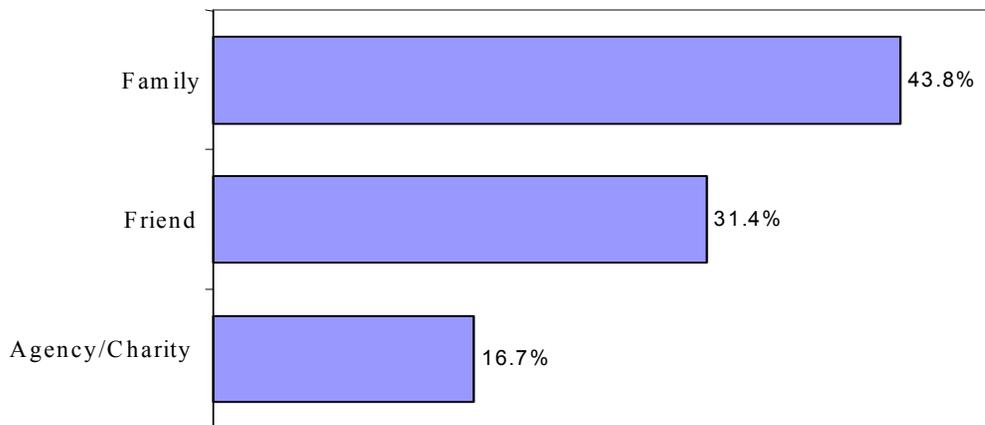
Figure 20. Difficulties in Meeting Essential Expenses



Source: U.S. Census Bureau: Survey of Income and Program Participation, 1998 and National Survey of American Families (NSAF) 1997

- **Getting Help When in Need.** When households run into trouble, the majority (86.5%) expect to find help, and most help is expected from family members and friends.

Figure 21. Expected Source of Help When in Need



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1998

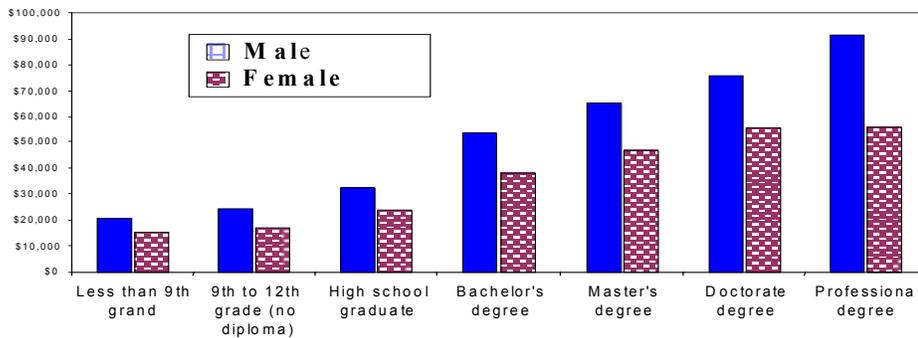
Of those having difficulties and needing help, only 19% of all persons actually received help from some source. The percentage of those receiving help increased to 32.6% for households with income below poverty.

What Impacts Poverty?

Peoples' educational level, gender, race, age and marital status all impact the likelihood of living in poverty.

Education & Gender. More education leads to higher income, for both men and women, although men consistently earn more than women in each educational category. When comparing the 2000 median income of full-time, year-round workers age 25 and older, higher education attainment increases income. While education levels have increased over time, for both men and women, the wage disparity between the sexes has remained fairly constant, with women earning, on average, 67-70 cents per dollar for men.

Figure 22. Median Income 2000, by Education

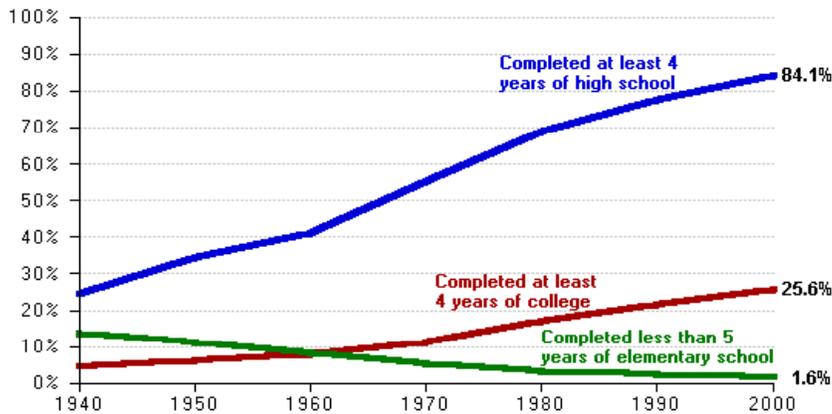


Source: U.S. Census Bureau

Figure 23. Education Level Over Time

Years of school completed

Percentage of people over 25 by years of school completed, 1940-2000



Source: "Digest of Education Statistics 2001," February 2002, National Center for Education Statistics

Race/Ethnicity. When comparing educational levels by race/ethnicity, a higher educational level also consistently correlates to higher income.

The decade of the 1990's brought change to Macomb County's racial and ethnic makeup, the degree of which had never been experienced before.¹³ While the county's population increased by a strong 9.9 percent, its African-American population, primarily from Detroit, more than doubled. Rather than adding to historic African American settlements in New Haven, Mount Clemens and Clinton Twp., this growth occurred in Warren, Eastpointe, Fraser and other southern communities. The Asian population, consisting of Filipinos, Thai, Vietnamese, Cambodians and Hmong, among others, almost doubled in number, while Hispanics grew by 55 percent. The Census Bureau allowed respondents to list more than one race for the first time in the 2000 Census. Almost 13,000 Macomb County residents chose this option, showing both the degree of multi-race residents and the large component of Chaldean (Christian Iraqis) residents who, having no specific listing on the questionnaire, chose to write in their ethnicity in the Other Race option.

Table 12. Population by Race/Ethnicity for Macomb County, 1990 – 2000

	1990	2000	1990-2000 Change	
			Number	Percent
Total population	717,400	788,149	70,749	9.9%
Non Hispanic	709,422	775,714	66,292	9.3%
White	687,480	721,882	34,402	5.0%
African American	10,313	21,151	10,838	105.1%
Native American	2,529	2,255	-274	-10.8%
Asian / Pacific islander	8,895	16,900	8,005	90.0%
Other race	205	685	480	234.1%
Two or more races	na	12,841	na	na
Hispanic/Latino	7,978	12,435	4,457	55.9%

Source: Census Bureau

While this increasing racial diversity is altering the look of the workforce, political discussions and school classrooms, it is also affecting the delivery of social services. Because the socioeconomic status of these groups differs, the fact that they are increasing changes the dynamics of poverty and need in the community.

Table 13 shows these differing rates. Macomb County's African American community has an overall poverty rate that is more than three times that of the majority White, non-Hispanic population. This ratio grows slightly wider when just children are taken into account. The Hispanic gap is considerably smaller for both categories, coming in just under two to one. The Asian poverty rates are similar to those for Whites. It is important that the county continue to monitor these racial/ethnic changes and to be cognizant of the differing demands that the various groups place on the social service system.

¹³ Recent estimates by the Census Bureau show a continued increase in African American, Asian and Hispanic residents.

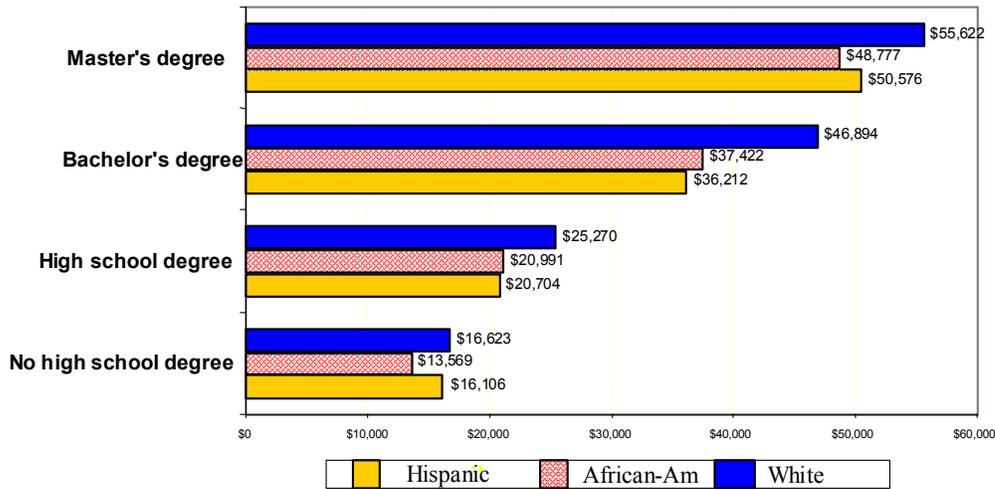
Table 13. Poverty by Age and Race/Ethnicity for Macomb County, 1999

	Percent of All Persons	Percent of Children
White	5.1%	6.3%
African American	16.0%	22.8%
Native American	9.6%	13.4%
Asian / Pacific islander	7.3%	6.1%
Two or more races	13.7%	16.3%
Hispanic/Latino	9.5%	11.7%

Source: Census Bureau

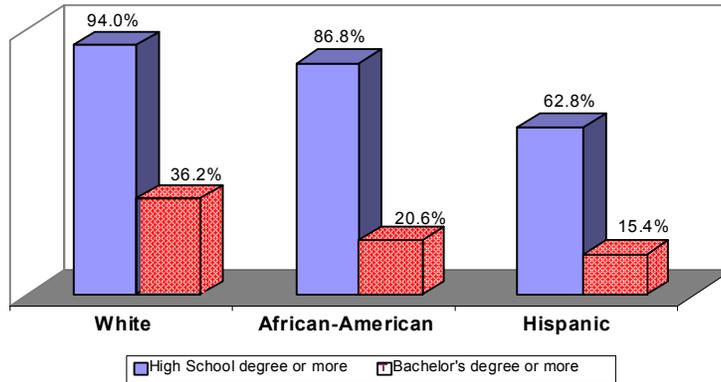
Exacerbating the differential is the fact that the levels of educational attainment differ significantly across race and ethnicity.

Figure 24. Income by Education & Race



Source: U.S. Census Bureau, 2000 Census

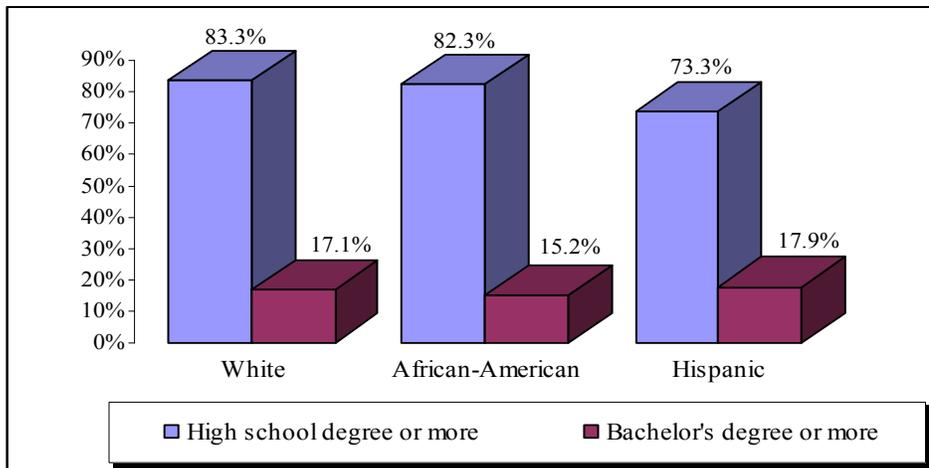
Figure 25. Education Attainment by Race, United States 2000



Source: U.S. Census Bureau, 2000 Census

The racial/ethnic differences in educational attainment, while present, are much less in Macomb County. The rate of high school graduation and beyond is almost equivalent between Whites and African-Americans, while Hispanics fall ten percent behind. This is attributable to a more educated African-American population that began to move into the county in relatively large numbers, primarily from Detroit, during the 1990s. The lower rate for Hispanics is partially attributable to the arrival of less educated Mexicans who are employed in the construction and landscaping occupations. The building boom that the county has experienced over the last decade has brought with it many such jobs. While Whites attained college degrees at rates slightly above those of African-Americans (a differential much below that of the nation), the rate for Hispanics was higher than that of Whites. This reversal of the trend for high school graduation rates is attributable to the educational disparities among recent Hispanic immigrants. Immigration streams have brought both the undereducated who find employment in semi-low skilled occupations and the more highly educated professionals. Macomb County has been able to attract both.

Figure 26. Educational Attainment by Race/Ethnicity for Macomb County, 2000



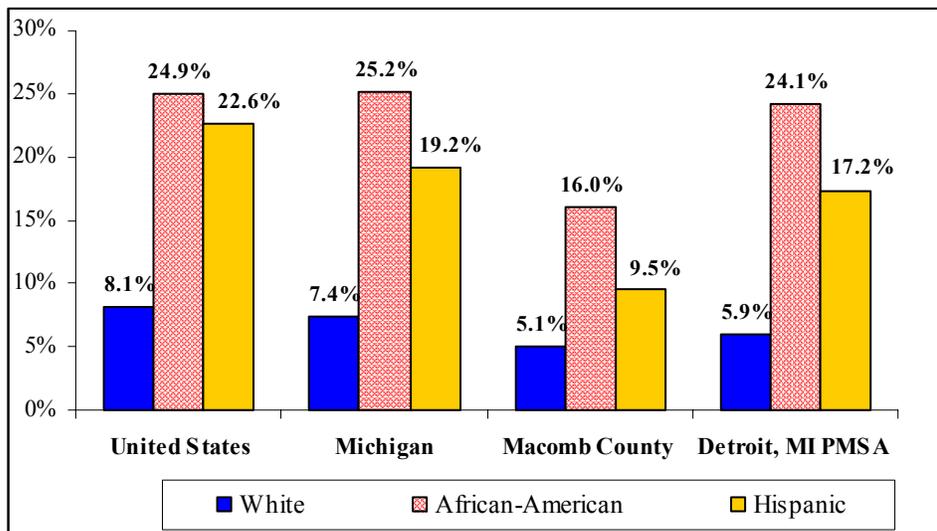
Source: U.S. Census Bureau, Census 2000: SF3

The analysis has looked at changes in educational attainment over time and education’s effect on income and earnings. Differences in educational attainment and earnings have also been analyzed by race/ethnicity.

Differences in educational attainment by race/ethnicity translate to differences in income and, by extension, poverty rates. Nationally, the poverty rate for African-Americans is three times that of Whites (Figure 27). The poverty rate for Hispanics is only slightly less than that of African-Americans. The differentials for Whites and African-Americans are slightly greater in both Michigan and the Detroit metropolitan area, while slightly less for Whites and Hispanics.

Macomb County demonstrates several anomalies. While educational attainment levels between Whites and African-Americans are quite similar, the poverty differential remains at 3:1 (even though overall poverty rates are lower than in other areas). The poverty differential for Hispanics is less than 2:1. Such trends necessitate further analysis to determine why the educational attainment – economic outcome does not appear to hold for African-Americans in Macomb County.

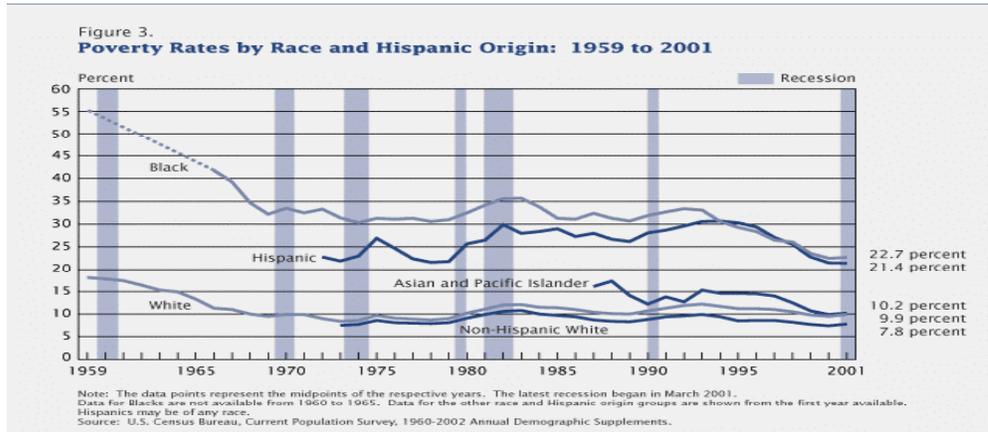
Figure 27. Rate of Poverty, by Race/Ethnicity, for Selected Geographies



Source: U.S. Census Bureau, Census 2000: SF3

While these differences in the poverty rate by race have existed for decades, the percentage of poverty for minorities has dropped more rapidly over time than the poverty rates for whites.

Figure 28. Poverty Rates by Race & Hispanic Origin: 1959 to 2001



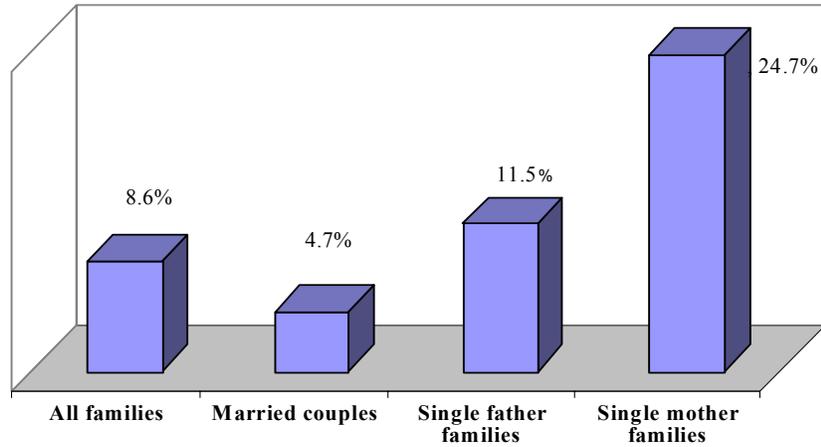
Note: The data points represent the midpoints of the respective years. The latest recession began in March 2001. Data for Blacks are not available from 1960 to 1965. Data for the other race and Hispanic origin groups are shown from the first year available. Hispanics may be of any race.

Source: U.S. Census Bureau, Current Population Survey, 1960 - 2002 Annual Demographic Supplements.

Macomb County has also gone somewhat against national and statewide trends in poverty over the last decade. While the poverty rate for Whites dropped by almost two percentage points in the U.S. (9.8 to 8.1 percent) and Michigan (9.4 to 7.4 percent) between 1989 and 1999, Macomb’s rate increased from 5.0 to 5.1 percent. African-Americans experienced decreases in poverty in all areas, though Macomb’s decrease (18.7 to 16.0 percent) was the least of the three. Finally, Macomb County’s Hispanic population saw their poverty rate rise from 8.8 to 9.5 percent, while the poverty rate for Hispanics nationally was dropping by 2.7 percentage points and 4.4 percentage points in Michigan.

Marital Status. Single parent families are more likely to be poor than two parent families, and single parent mothers have more than twice the poverty rate of single parent fathers.

Figure 29. Percent Living Below Poverty, by Type of Family



Source: U.S. Census Bureau, Census 2000

Poverty rates by marital status in Macomb County are consistent with the national statistics. Macomb rates tend to be approximately half those of the nation, with the exception of single mother families which come in slightly higher.

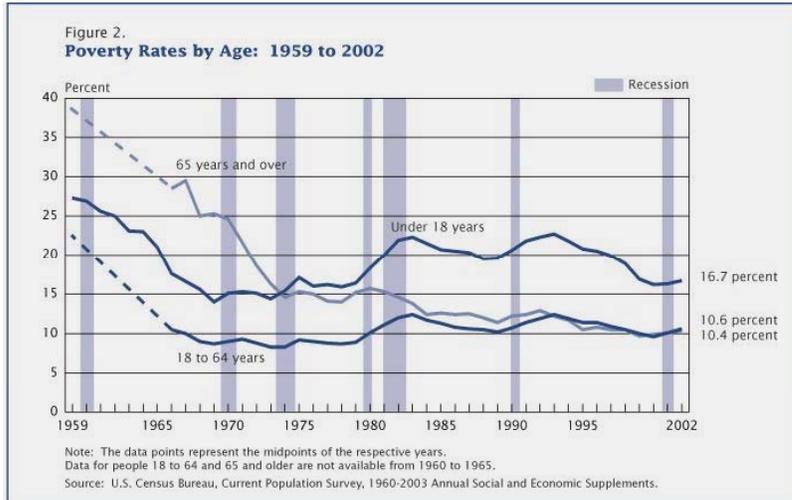
Table 14. Poverty by Family Type in Macomb County

All families	4.0%
Married couples	2.1%
Single father families	5.9%
Single mother families	14.0%

Source: U.S. Census Bureau, Census 2000

Age. When poverty rates by age are tracked over time at the national level, one sees the largest drop occurring for seniors. The most important factor driving this decrease was the indexing of Social Security payments to the rate of inflation. Children have experienced a “roller coaster ride” in their poverty rates over the years. While reaching a high point in the recession years of the late 1980s and early 1990s, they began to drop significantly with the economic boom of the mid- to late-1990s, coupled with the institution of welfare-to-work programs that were instituted during that time. Children have experienced a reversal in their fortunes since 2000.

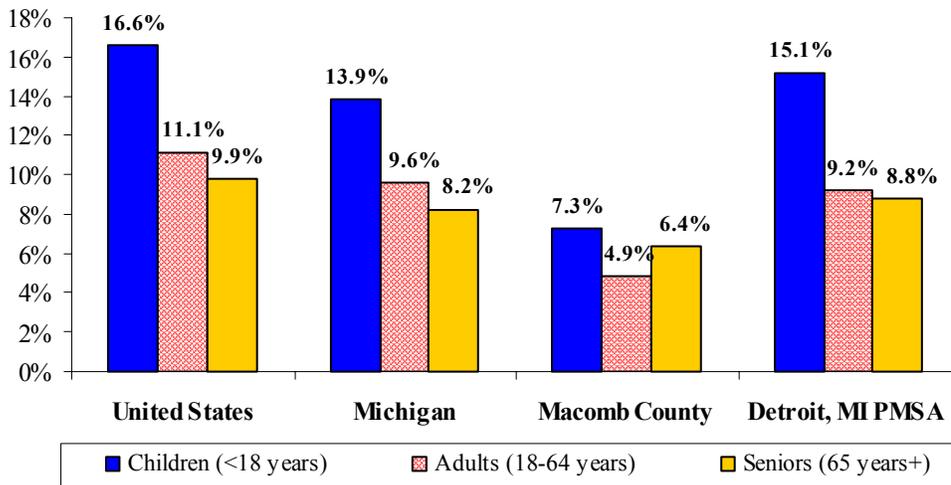
Figure 30. Poverty Rate Changes, by Age



Note: The data points represent the midpoints of the respective years. Data for people 18 to 64 and 65 and older are not available from 1960 to 1965.

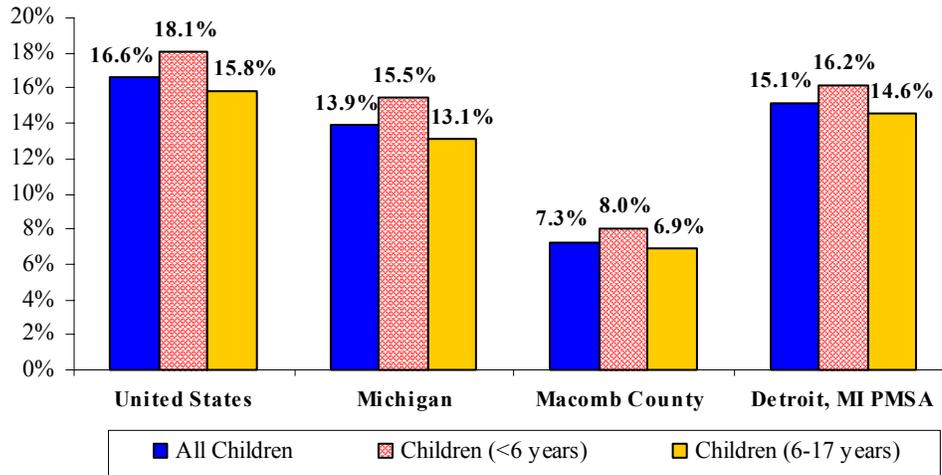
Macomb County’s pattern of age and poverty, while generally following that of other areas, once again shows an anomaly. Unlike the comparison areas, Macomb County seniors had a higher poverty rate than working-age adults. While this is a testament to the low poverty rate in the county, it is of concern as Macomb has a higher share of seniors than any other county in southeast Michigan.

Figure 31. Poverty Rate, by Age



Children. Young children (under age 6) are even more likely than their older counterparts to live in poverty. Figure 32 illustrates that the poverty characteristics of children by age are consistent across our comparison geographies, with Macomb County lower than the rest for all age groups.

Figure 32. Poverty Rates for Children, by Age



Source: U.S. Census Bureau, 2000 Census: SF3

- In 2003, 7.7 percent of all U.S. children lived in extreme poverty (less than 50% of the poverty level). This is up from 7% in 2001 and 6% in 2000.
- According to 2000 figures, across the United States, there are 4.1 million children living in poverty who are in a family with one or more family members working full-time. This is 37% of all poor children. Children in families where one or more family members worked at all are 77% of all poor children – i.e. only 23% of children in poverty live in a family where no one is working.
- Of poor children in *working families*, 61% are in married couple families, 33% are in single mother families.

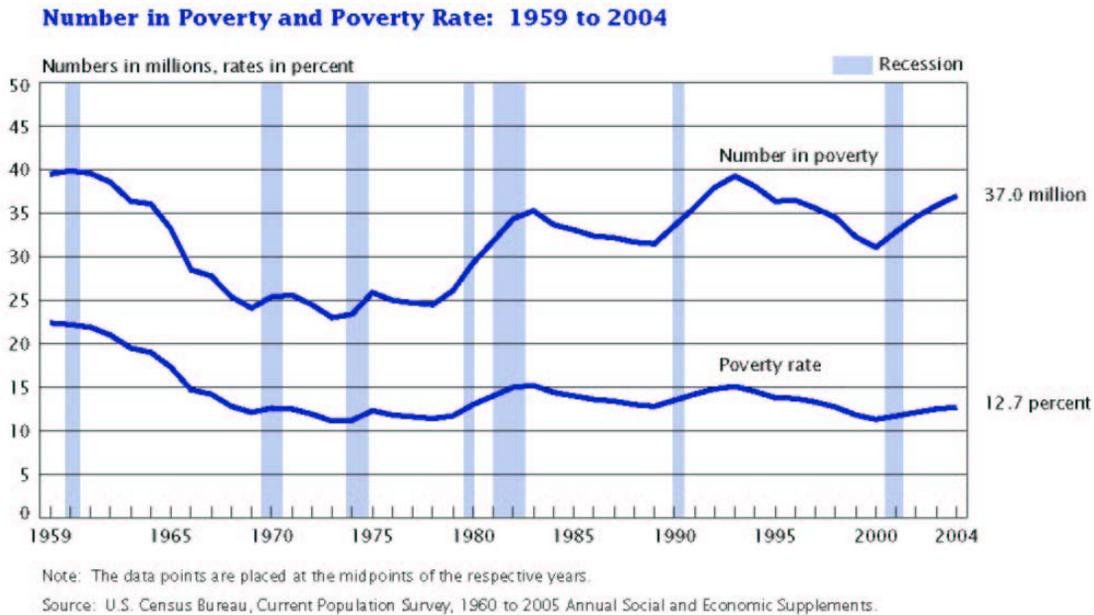
Recent Changes in Poverty

The Census Bureau recently released 2004 poverty data, calculated from the Current Population Survey conducted in March 2005. According to these data:

- The national poverty rate in 2004 was 12.7%, up from 12.5% in 2003, 12.1% in 2002 and 11.7% in 2001. This translates into 37.0 million people in poverty, up from 35.9 million in 2003, and 34.6 million in 2002. In the past three years (2001-2004) an additional 4.1 million people were living in poverty.
- The poverty rate for children rose from 17.6% in 2003 to 17.8% in 2004, after holding at 16.7% in both 2001 and 2002. This was well above the 11.3% rate for 18-64 year olds and 9.8% rate for those 65 years and over. The 2004 rate of 17.8 % translated to 13.0 children, up from 11.7 million in 2001.
- The poverty rate for people age 18-64 rose to 11.3 percent in 2004, up from 10.8% in 2003 and 10.6% in 2002. This amounted to an additional 1,007,000 in poverty, and an increase of 2.75 million since 2001.

- The poverty rate for people living in the suburbs rose from 8.9% in 2002 to 9.1% in 2003; the central city rate rose from 16.7 to 17.5%; and, the non-metropolitan (rural) remained the same at 14.2%.

Figure 33. Poverty in the United States, 1959 - 2004



Poverty & Income

Nationally the income for the lowest income quintile of families has improved over time. The increased income, however, is still not high enough for a family to reach economic self-sufficiency.

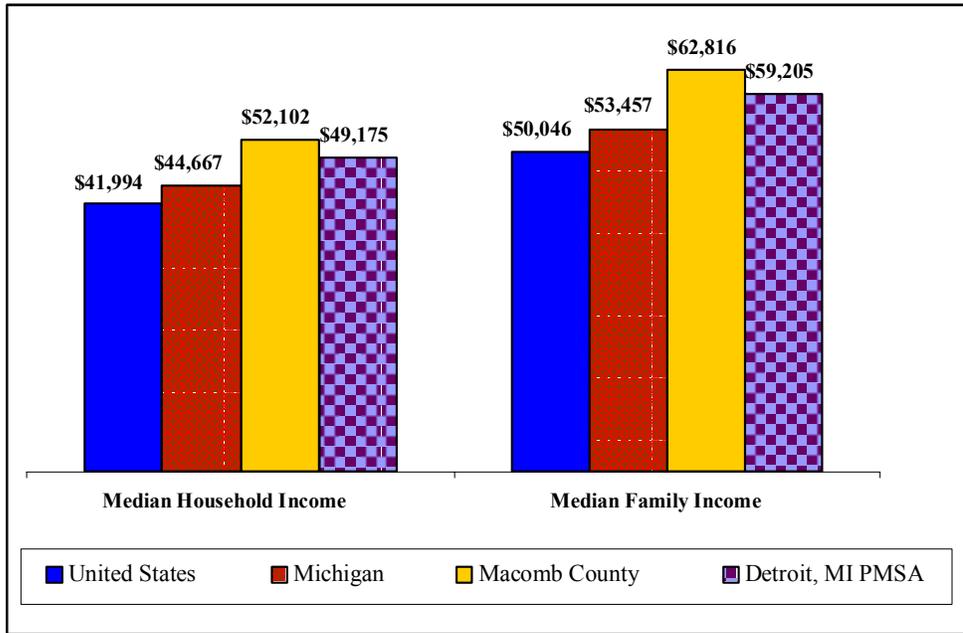
In 2003, using the official HHS poverty guidelines, a family of four needs to earn at least an hourly wage of \$9.20, working 40 hours a week, 50 weeks a year, to move above the poverty level. As shown above, this current poverty guideline is roughly half the level of income needed to meet a household's basic needs. Using the Basic Needs Budget of \$32,562 for a family of three, for example, the hourly wage needed to support the Basic Needs budget would be \$16.28 at full-time, full-year work. In a four-person household, with two parents, one would need to work full time and the other half time, both at \$13.26 per hour, to cover the basic needs budget.

What are local wages, compared to these poverty level wages?

Median household income for Michigan, when calculated on a 3-year moving average, has experienced a decrease since 2000. While the 1999-2001 median was \$48,767 (in 2003 dollars), it fell to \$46,374 for the 2000-2002 period, and then again to \$45,176 during the 2001-2003 period. The 7.4 percent drop in income that Michigan experienced

over the 2000-2003 period was exceeded only by the states of Mississippi and Illinois, and well exceeded the national loss of 2.3 percent. This loss has also pushed Michigan down further in the ranking of states. While Michigan was one of the leaders in income just a decade ago, by 1999-2001 it had fallen to 15th and, with the latest numbers, it is now 19th, while remaining about \$1,600 over the national average.

Figure 34. Median Household and Family Income, 1999



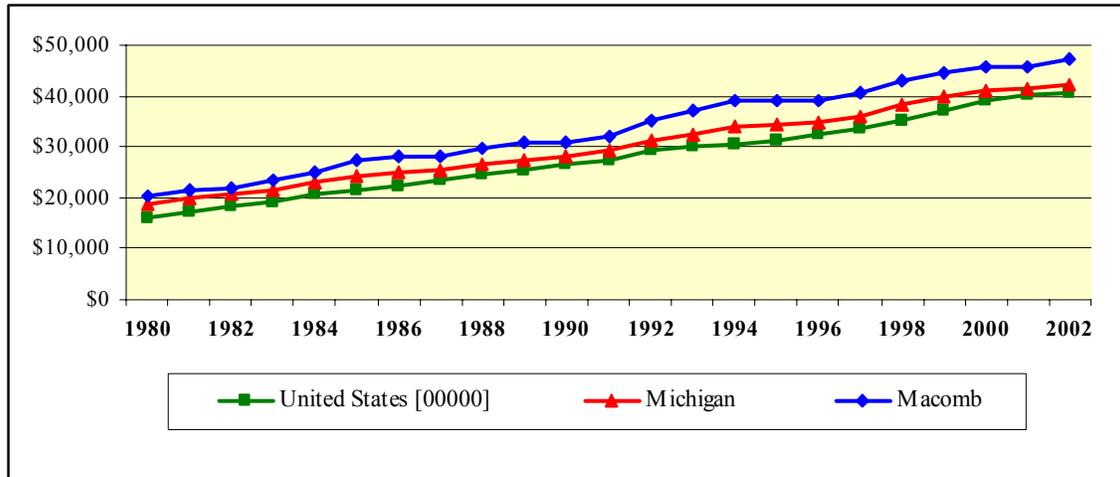
Source: U.S. Census Bureau, 2000 Census: SF3

When incomes are compared across our set of standard geographies, we find a reverse relationship to what we had with poverty. Income tends to track with the size of the geographic area, as the lowest incomes are at the national level, followed by the state, metropolitan area and, at the high end, Macomb County.

When average earnings per job are analyzed (Figure 34), it is apparent that Macomb County’s industrial mix – highly concentrated in manufacturing – has contributed to the higher averages wages. However, the recent economic downturn, which has had the greatest effect on the manufacturing sector, has brought about both a loss in Macomb County manufacturing jobs and a lessening of the wage differential between both national and state-level wages.¹⁴ As a result, while an average salary in Macomb would place a family above 200% of the HHS poverty guideline for a family of four, many of these jobs have disappeared, while others have experienced decreases in hours worked.

¹⁴ According to Michigan Labor Market Information statistics, the number of unemployed in Macomb County has more than doubled between 2000 and 2004, from an average of 14,000 per month to an average of over 28,000 per month.

Figure 35. Average Earnings Per Job, 1980 - 2002



Source: U. S. Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data

Labor Force/Employment

The recession that began in early 2001 has had a devastating effect on the State of Michigan and the Detroit metropolitan area. Table 15 shows that the average annual labor force in 2004 for Macomb County was down almost 13,000 persons from 2000, even with the slight gains experienced in 2003 and 2004. More significant are the components of that labor force. The number of employed fell by over 27,000 (6.2 percent) over that time period. One can assume, as well, that a share of these employed found themselves in lower paying jobs (after being laid off from a previous job), working fewer hours (perhaps parttime), and experiencing reductions in benefits. The number of unemployed more than doubled over this period and the unemployment rate grew from 3.1 to 6.5 percent.

Table 15. Labor Force Trend for Macomb County, 2000 – 2004

	2000	2001	2002	2003	2004	Change, 2000-2004	
						Number	Percent
Labor Force	454,700	453,525	439,900	440,950	442,100	-12,600	-2.8
Employment	440,775	431,400	414,775	411,850	413,500	-27,275	-6.2
Unemployment	13,925	22,125	25,125	29,100	28,600	14,675	105.4
Rate	3.1	4.9	5.7	6.6	6.5	3.4	109.7

Source: MI Labor Market Information Division

Table 16 further illustrates the economic problem that the county has been experiencing. Here we can see the industry sectors that have been most affected by this recession. Manufacturing, Macomb County's largest and highest paying sector, has taken the biggest hit. The first quarter of 2004 showed the county having almost 24,000 fewer manufacturing jobs than it had in the first quarter of 2000. This represents a 22 percent

decrease. Construction, wholesale and retail jobs were also down. The areas of increase fell in the service sector – information, education services and health care and social services. These growth sectors only added about 5,000 jobs.

Table 16. Employment by Sector for Macomb County, 2000 – 2004

	2000	2004	% Change
Construction	17,937	16,396	-8.6%
Manufacturing	106,415	82,801	-22.2%
Wholesale Trade	11,212	10,950	-2.3%
Retail Trade	42,933	42,716	-0.5%
Information	1,698	2,331	37.3%
Administrative Support	21,194	21,140	-0.3%
Education Services	1,349	1,798	33.3%
Health Care & Social Services	25,509	29,790	16.8%

Source: MI Labor Market Information Division

What jobs will be available in coming years in this region?

The predicted job growth in the six-county metropolitan area (individual county data are not available) indicates a continuing shift from jobs in manufacturing to service industry jobs. From 2000 to 2010, jobs are expected to increase 9.7% or 219,920 jobs.

Table 17. Top Growth Occupational Categories for Detroit Metro, 2000 - 2010

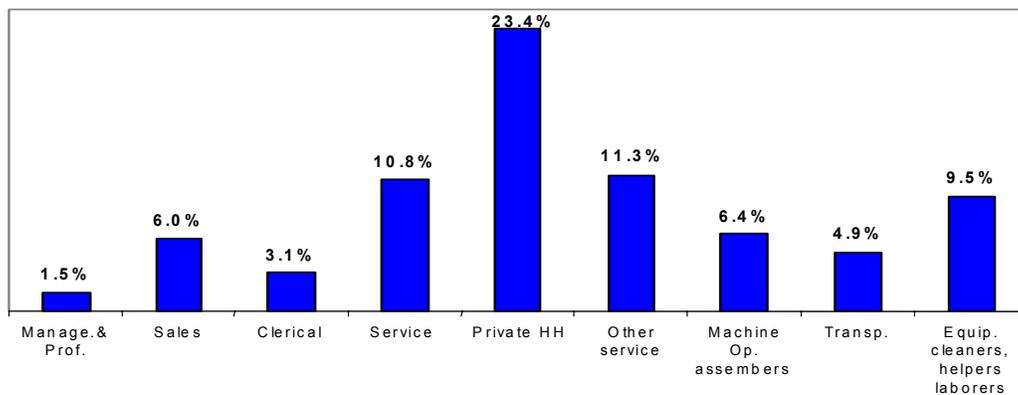
Occupation	Jobs Added	Avg. Hourly Wage
Computer & Mathematical Occupations	25,680	\$30.69
Sales and Related Occupations	24,300	\$16.48
Transportation & Material Moving Occ.	16,600	\$16.29
Healthcare Practitioners/Technical Occ.	15,820	\$30.54
Construction & Extraction Occupations	14,720	\$23.35
Food Preparation & Serving Related Occ.	13,840	\$8.63
Office & Administrative Support Occ.	12,400	\$14.85
Healthcare Support Occupations	11,520	\$11.94
Personal Care & Service Occupations	11,060	\$11.07
Business & Financial Operations Occ.	10,750	\$31.15
Management Occupations	10,650	\$47.85
Building/Grounds Cleaning/Maint Occ.	10,470	\$11.71
Education/Training/Library Occupations	10,180	\$22.70
Retail Salespersons	9,060	\$10.86
Combined Food Prep/Serv Wrkr, Inc Fast Food	8,080	\$7.71

Source: Michigan Office of Labor Market Information, Occupational Employment Forecasts 2000-2010 and Occupational Employment and Wage Estimate for the Detroit area.

Table 17 shows those occupations that are anticipated to add the most positions, through replacement and additions, over the first 10 years of the 21st Century in the Detroit metropolitan area, along with their associated hourly wages (as of November 2003). While a number of these jobs require high-level skills and pay good wages, many of these jobs are quite low paying, tend to not provide full-time employment, and definitely have no associated benefits. When comparing the hourly wages to both the poverty guideline for a family of four and the Basic Needs budget for a family of three and a family of four, a large share of the jobs coming to the metropolitan area through 2010 will not meet a family's basic needs.

A number of the local high growth jobs are occupations that nationally have relatively high poverty rates (Figure 36). Data are collected on workers in the labor force for at least 27 weeks during the year.

Figure 36. Poverty Rate by Occupational Category



Source: U.S. Census Bureau, March 2000 Supplement to the Current Population Survey

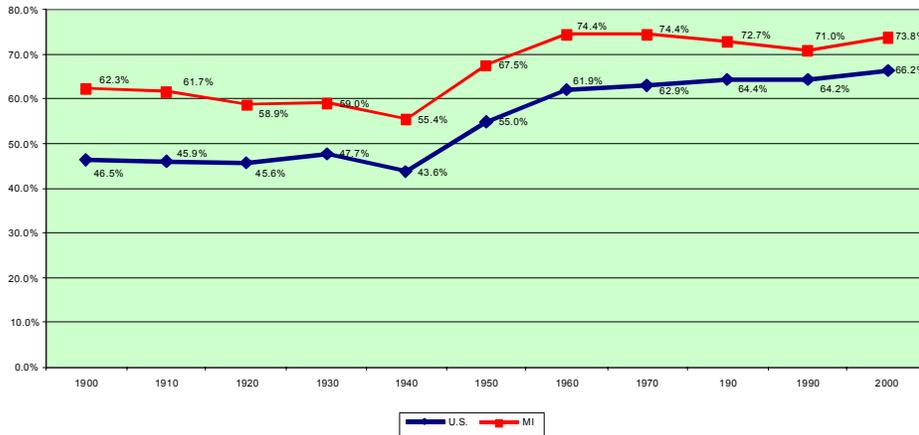
Poverty & Housing

Across the country, as well as statewide, the majority of households are homeowners. This trend towards higher homeownership has shown a steady increase since 1900, with dramatic jumps in the 1940's and 1950's.

Despite this trend in the general population, most poor persons in Michigan (60 percent) rent rather than own their homes. This is not the case in Macomb County, however. According to 2000 Census figures, while 61 percent of households living in poverty in the Detroit metropolitan area are renters, this is the situation for only 49.5 percent of Macomb's poor households. A further analysis by householder age reveals that this difference is primarily a result of the large number of Macomb County householders 60 years of age and above, in which 54 percent of those in poverty own their homes. This becomes an even more important issue when one remembers that Macomb County went against the poverty trend of another

areas by having a larger poverty rate for seniors than for working-age adults. The rate of homeownership for those above the poverty threshold is much higher – 77 percent for the State and 81 percent in Macomb County.

Figure 37. Homeownership in the U.S. and Michigan Over Time, 1900 - 2000

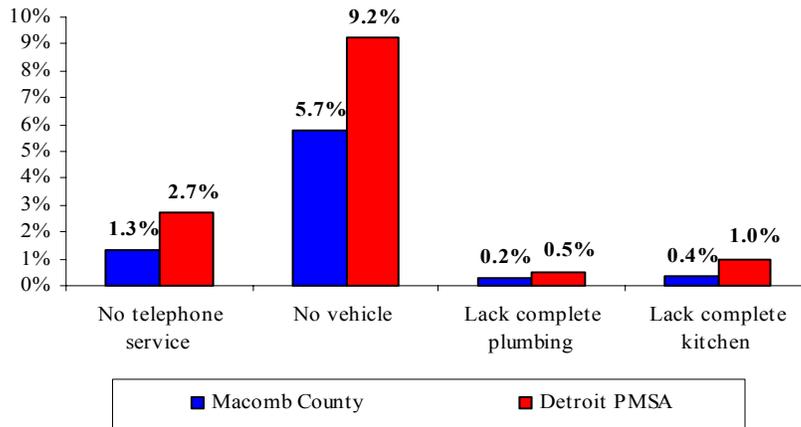


Source: U.S. Census, Historical Housing Tables

Housing Characteristics by County

As of the 2000 Census, there were 320,267 housing units in Macomb County. According to SEMCOG, just over 24,000 building permits have been issued since the census was taken. The vacancy rate for housing in Macomb was 3.5 percent. Seventy-nine percent of the occupied housing was owner-occupied. Owner-occupied units averaged 6.0 rooms,¹⁵ while renter-occupied units averaged 3.9 rooms. Single-family, detached homes accounted for 68.7 percent of all units. Single-family attached accounted for the second

Figure 38. Basic Housing Characteristics – Macomb and Metro Detroit, 2000



Source: U.S. Census Bureau, 2000 Census: SF3

¹⁵The room count excludes halls, foyers, bathrooms and strip or Pullman kitchens.

largest segment (7.5%), followed by units in structures of 5-9 units (6.4%), and mobile homes (4.5%). The greatest period of building in Macomb County came during the 1960s when 20.5 percent of its current units were constructed. The 1950s and 1970s tied for a close second (19.3%), followed by the 1990s (17.4%).

Housing Costs

The median monthly gross rent across the State of Michigan, according to the 2000 Census, was \$546. The equivalent for Macomb County was \$603. This falls well below the 2005 HUD determined “fair market rent” of \$805 for a two-bedroom rental in Macomb. Only four other counties in the state had higher median rents. Three were also in southeast Michigan – Livingston, Oakland and Washtenaw, while the other was the tourist magnet Grand Traverse.

Despite the relatively high rents (compared to other counties in the state), housing costs in the county fall below the state average. 26.2 percent of renters in Macomb are paying 35% or more of their income towards rent, compared to 30.5 percent across Michigan (including Macomb), and 15.0% are paying more than 50% of household income for rent (18.6% in Michigan). Generally, households paying more than 35% of income for shelter lack affordable housing. Those paying more than 50% of household income for housing costs are considered to have “critical housing needs.”

Geographically, one-third of the county’s communities had rates over 30 percent of households paying 35% or more of household income for rent, while half came in between 20 and 30 percent. Richmond twp. exhibited the highest share of critical need with 30.4 percent of renters paying more than 50% of their income for housing.

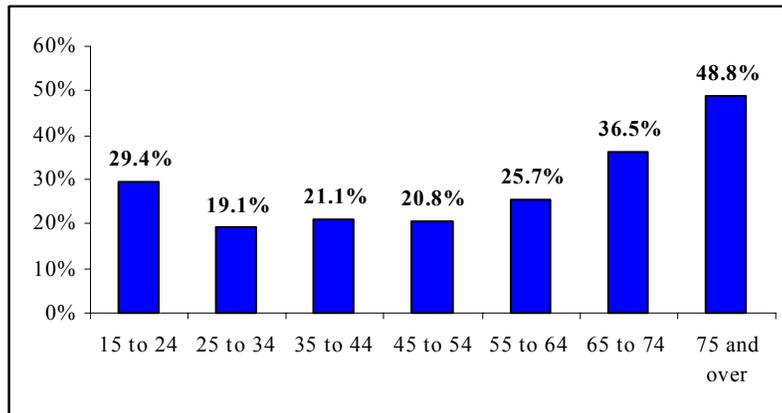
Table 18. Gross Rent as a Share of Income by Macomb County Community

	35%+	50%+		35%+	50%+
Armada twp	29.5%	10.9%	Mount Clemens	31.1%	21.5%
Bruce twp	13.8%	5.8%	New Baltimore	23.7%	14.1%
Center Line	17.5%	8.3%	Ray township	37.5%	13.9%
Chesterfield twp	30.0%	13.2%	Richmond twp	19.2%	8.8%
Clinton twp	25.6%	15.1%	Richmond twp	30.4%	30.4%
Eastpointe	35.2%	21.9%	Roseville	28.9%	16.1%
Fraser	24.8%	12.6%	St. Clair Shores	32.0%	19.3%
Harrison twp	18.3%	8.2%	Shelby twp	21.7%	12.2%
Lake twp	0.0%	0.0%	Sterling Hts	25.2%	16.4%
Lenox twp	24.7%	16.5%	Utica	32.9%	20.1%
Macomb twp	21.3%	14.9%	Warren	27.6%	14.3%
Memphis	34.5%	21.8%	Washington twp	26.2%	11.4%

Source: U.S. Census Bureau, 2000 Census: SF3

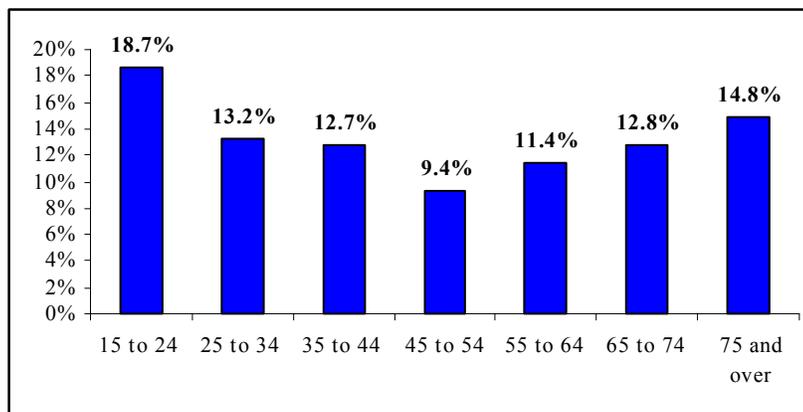
Looking at housing burden by householder age, we can see that a greater percentage of the youngest and oldest households are paying 35% or more of income towards rent. While this is not a large burden on the younger end of the age spectrum, comprised of both college students and those in early stages of careers, many assisted by parents, it is a significant issue on the upper end of the age spectrum where seniors are on fixed incomes and are often faced with decisions about what bills to pay – housing, utilities, food, prescription drugs, etc. More than 4 of every 10 seniors in Macomb County that were renters reported paying more than 35% of their income for rent.

Figure 39. Macomb County Rents at 35% or More by Age of Householder



Source: U.S. Census Bureau, 2000 Census: SF3

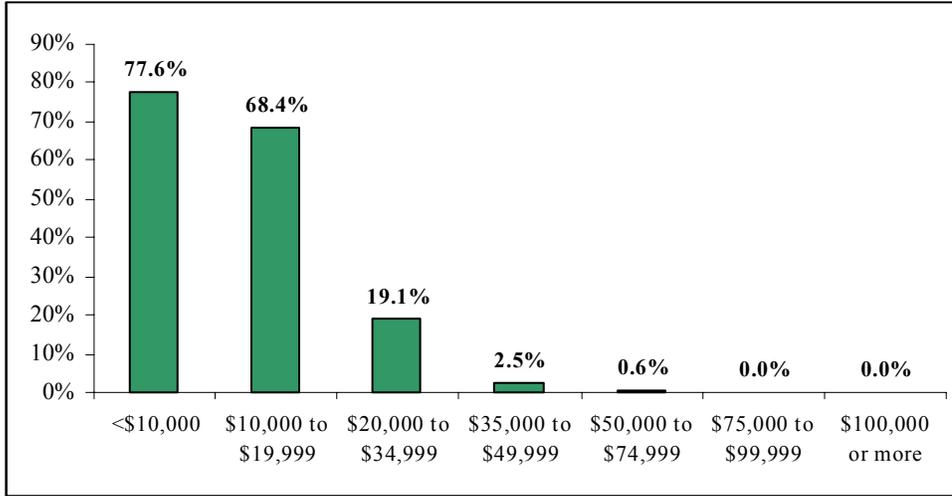
Figure 40. Macomb County Owner Costs at 35% or More by Age of Householder



Home ownership costs, while taking the largest portions of incomes at both ends of the age spectrum, account for lower shares across the board. This is especially important for senior households that tend to have high ownership rates.

An analysis of rent as a share of income shows a very clear and problematic pattern. Low-income households (below \$20,000), limited in most cases to renting as their only option, pay 35% or more of their incomes on housing costs at a rate over 70 percent. The frequency falls off dramatically when incomes reach \$20,000, and is almost nonexistent above \$35,000.

Figure 41. Macomb County Rents at 35% or More by Income of Householder

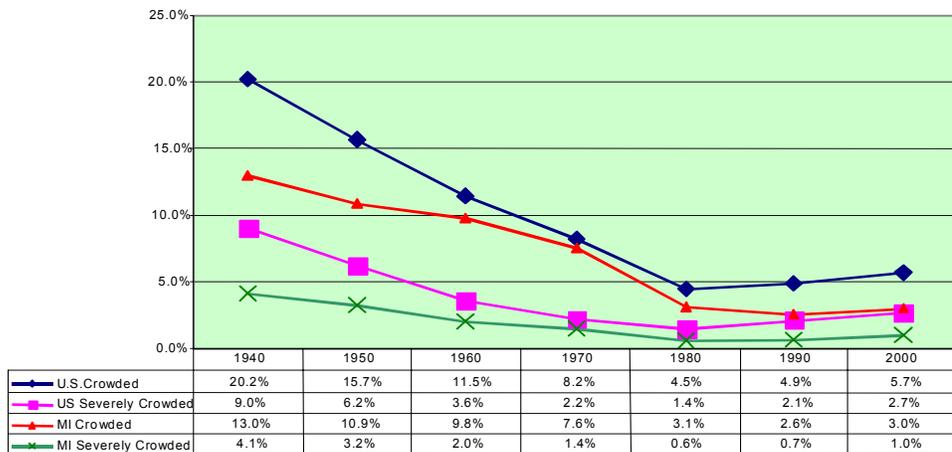


Source: U.S. Census Bureau, 2000 Census: SF3

Housing Crowding

The cost of housing also impacts the level of housing crowding. By U.S. Census definitions, housing is crowded if the occupancy rate is higher than one person per room, and housing is considered severely crowded if the ratio is higher than 1.5 per room. Housing crowding in Michigan has consistently been below the national percentages, but crowding has increased at all levels between 1990 and 2000.

Figure 42. Housing Overcrowding, 1940 – 2000



Source: U.S. Census Bureau: Historical Housing tables

Macomb County, and the Detroit metropolitan area, also experienced increases in crowding during the last decade. Macomb County's rate of crowding (more than one person per room) rose from 1.8% to 2.5%. The largest increase was in renter occupied units, rising from 2.9% to 5%. Owner units rose from 1.5% to 1.8%. The rate of severe overcrowding, while very low, did double in Macomb from 0.4% to 0.8%. The region's rate of overcrowding grew from 2.7% to 3.6%, again driven by renter units, which saw their overcrowding rate grow from 4.5% to 7.1%.

Poverty & Child Care

The following findings come from a February 1999 survey of Michigan parents by Public Sector Consultants, Inc.¹⁶

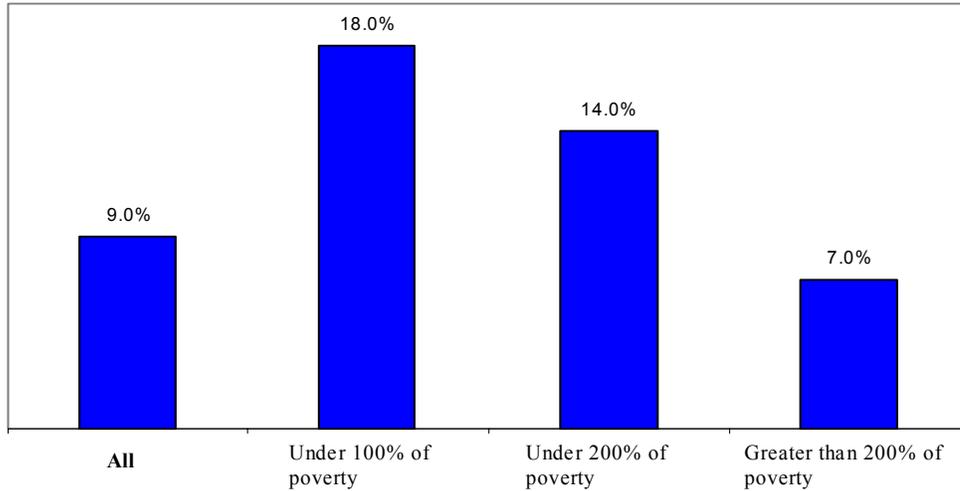
- A majority (54%) of children under 5 are cared for solely by their parents. 46% receive childcare and/or early childhood education (ECE) from someone other than a parent. (46% of children under age 5 translate to 297,968 children in Michigan, according to the U.S. Census 2003 population estimates.)
- Of children under age 2, 60% received care from parents only. Of children ages 3-4, 64% received care from a child care center i.e., the closer to school age, the more likely to receive day care from a non-parent.
- Of children receiving day care/ ECE:
 - 32% receive care in own home, but from someone other than parent.
 - 47% received care in another home, from non-parent.
 - 47% received care in a childcare center, including Head Start, preschool, nursery school, etc. (Note: children have multiple care arrangements, so the percent of care exceeds 100%).
- Of children receiving care in their own home:
 - 23% receive care from a sibling.
 - 51% receive care from a grandparent or other relative.
 - 53% receive care from a non-relative (Again, children have multiple care arrangements, so the percent exceeds 100%).
- Of children in care:
 - On average, they are receiving care for 40 hours per week.
 - 25% receive care for more than 50 hours per week.
 - 66% receive care for more than 30 hours per week.
- 27% of children had care arrangements changed in the past six months.
 - 25% needed care arrangements at times outside of Monday – Friday between 5:30 a.m. and 7:00 p.m.
 - Of parents with more than one child in day care, nearly 40% had different arrangements for different children.
 - 57% of White families reported that parents provide childcare, while 41% of African-American parents reported this care arrangement.

¹⁶ While the Census Bureau surveys childcare arrangements, the results are only produced at the national level.

- 70% of parents with a high school diploma or less reported that the parents provided day care, while only 44% of those with at least some college reported this care arrangement.

The percentage of earnings spent on childcare by income level, according to the 1999 Urban Institute’s National Survey of America’s Families, is shown in Figure 43.

Figure 43. Percent of Earned Income Spent on Child Care



Source: The Urban Institute, National Survey of America’s Families, 1999

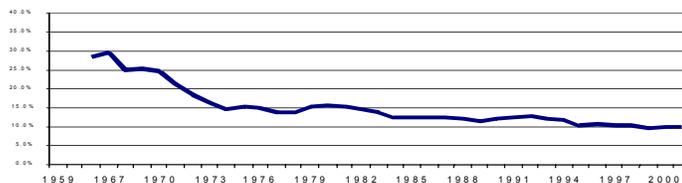
Poverty & Retirement

Looking at poverty and retirement requires an examination of both those already retired, where the news is relatively good, and those nearing retirement age, where the news isn’t good.

The Good News

The number and percentage of seniors living in poverty has dropped dramatically over the past 50 years. This is a direct result of the welfare safety net programs (SSA, SSI, Medicaid, and Medicare) and those age 65 and older having the highest rate of eligibility for traditional pensions from employment. Because of the availability of these income supports, poverty rates for those age 65 and older have dropped over time.

Figure 44. Poverty Rate for Ages 65 & Older



Source: U.S. Census Bureau, 2000 Census and Historical Tables

According to 1998 data, 44.5% of all retired Americans had a traditional pension, while 54.4% of those who worked for pay had a traditional pension. Male retirees were twice as likely as female retirees to have pension income. The share of all households with a defined benefit (traditional) pension fell from 52.6% in 1983 to 35.3% in 1998. While the mean wealth in defined benefit pensions dropped 39% between 1983 and 1998 for those aged 47 – 64, it rose 36% for persons age 65+ during the same period.¹⁷

The Bad News

Although today’s workers are likely to live longer, and therefore be retired longer than previous generations, as an age group they are less prepared financially for retirement. This is true of all but the highest income groups, but is especially critical for low-income workers.

- In 1998, 18.5% of households headed by a person approaching retirement (ages 47-64) are expected to have incomes below poverty when retired. This rate is up from 17.2% in 1989.
- The share of households unable to replace at least half of their pre-retirement income rose from 29.9% in 1989 to 42.5% in 1998. In African-American and Hispanic households, the rate increased to 52.7%.
- Only households with wealth at \$1.0 million or more had an increase in retirement wealth in 1989. All other wealth categories saw retirement wealth fall between 1983 and 1989.

When surveyed, the amount saved towards retirement, if known at all, was insufficient to replace pre-retirement income.

Table 19. Total Amounts Accumulated for Retirement, by Age Group

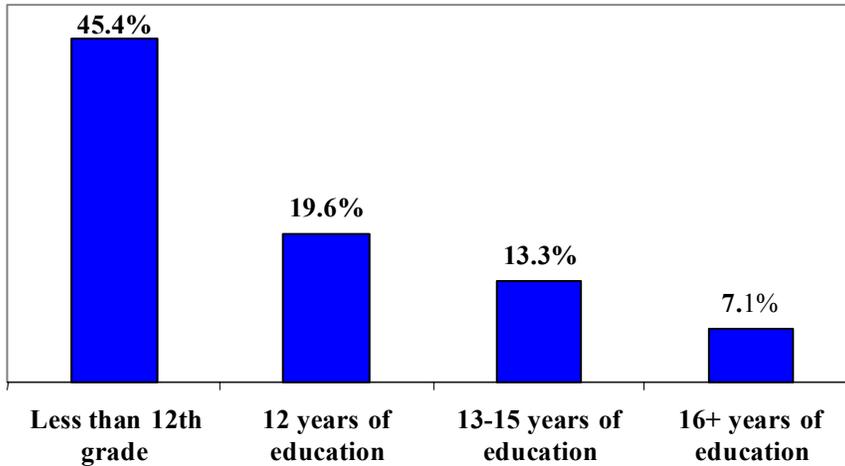
Amount Saved	All	Age 20-39	Age 40-59
Nothing	15%	22%	13%
Less than \$10,000	12	21	9
\$10,000 - 24,999	11	15	8
\$25,000 - 49,999	9	9	9
\$50,000 - 74,999	8	7	7
\$75,000 - 99,999	5	3	7
\$100,000 - 149,999	6	3	6
\$150,000 - 249,999	6	2	8
\$250,000 or more	6	2	9
Don't Know	23	16	24

Source: Retirement Confidence Survey, 2002.

¹⁷ Wolff, Edward. *Retirement Insecurity*, Economic Policy Institute, 2002

When looking at expected retirement income by the education level of the approaching retiree, the higher the education level, the more likely the household will have retirement income above the poverty level.

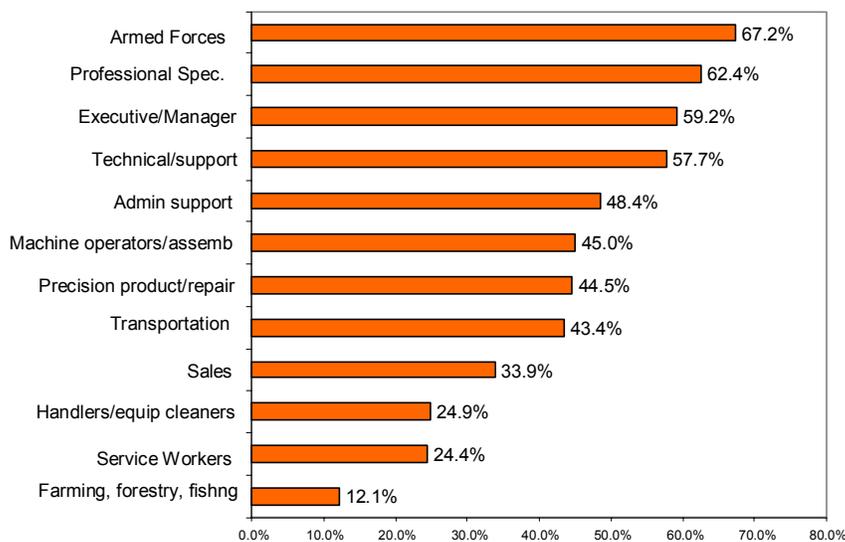
Figure 45. Projected Percent having Retirement Income Below Poverty, by Level of Education



Source: Wolff, Edward, Retirement Insecurity, Economic Policy Institute, 2002. Data from 1989-1998 Survey of Consumer Finances.

According to 2002 U.S. Bureau of Labor Statistics, the likelihood of receiving a pension plan varies dramatically by job type. Service jobs fare worse than manufacturing jobs. Technical and managerial jobs are more likely to have pensions than manufacturing/assembly jobs. Farming and fishing jobs are the worst, while Armed Forces jobs are best, overall.

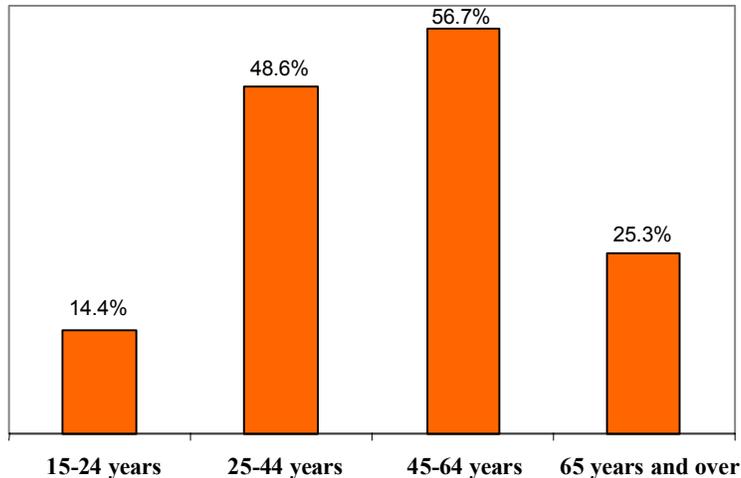
Figure 46. Percent of Employees Eligible for Pension Plan Benefit



Source: U.S. Bureau of Labor Statistics, 2002

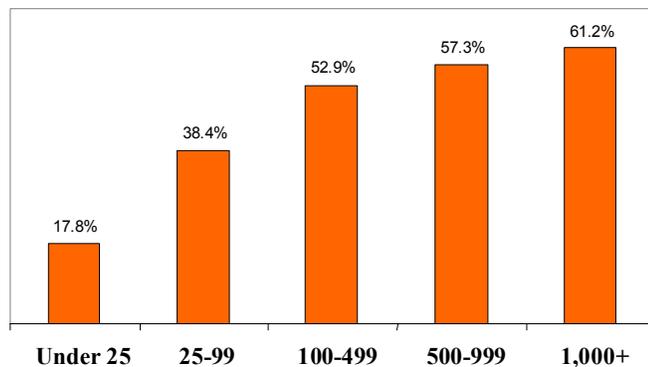
Eligibility for a pension plan varies by worker age (Figure 47) and by employer size (Figure 48). The larger the employer, the more likely an employee will be covered by a pension plan.

Figure 47. Percent of Employees Eligible for Pension Plan Benefit, by Age



Source: U.S. Bureau of Labor Statistics, 2002

Figure 48. Percent of Employees Covered by Pension Plan, by Employer Size



Source: U.S. Bureau of Labor Statistics, 2002

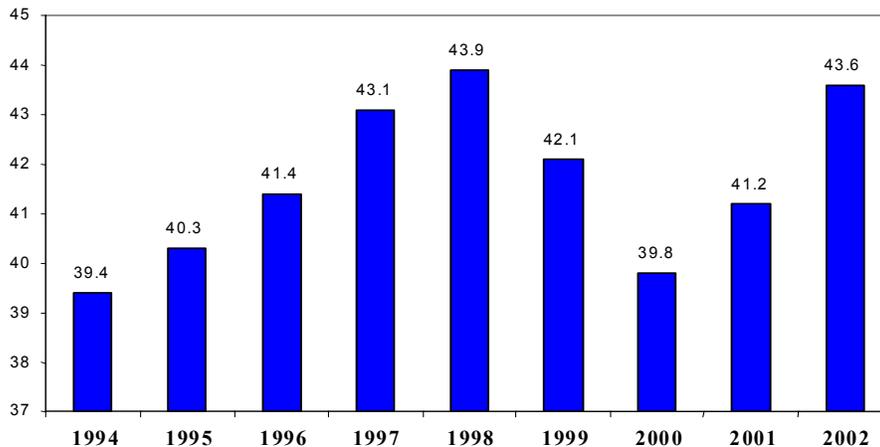
Coverage depends not only on the pension availability (through the employer), but also on the worker participating in the available plan. According to 2001 data:

- The availability rate for all workers age 16 and older was 55.3%, down from 60% in 1998.
- The percentage of all workers actually participating in a pension plan (work sponsored or not) was 43%, down from 44.4% in 1998.

Poverty & Health Care

The number of Americans without health insurance rose to 43.6 million in 2002, up from 41.2 million in 2001.

Figure 49. Number of Uninsured Persons (in millions) in U.S., 1994 - 2002

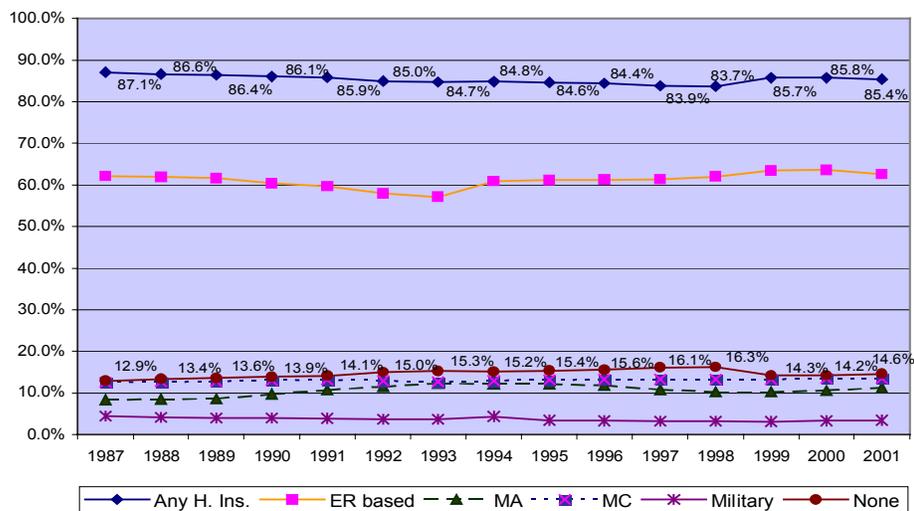


Source: U.S. Census, March Current Population Survey, 1988-2003 Annual Demographic Supplements

Health Insurance Trends

Health insurance coverage trends since 1987 (when health insurance statistics were first available), show that Medicaid coverage has increased over time, while health insurance coverage in total has dropped since 1987. This trend has continued into 2003, based on newly released data from the Census Bureau.

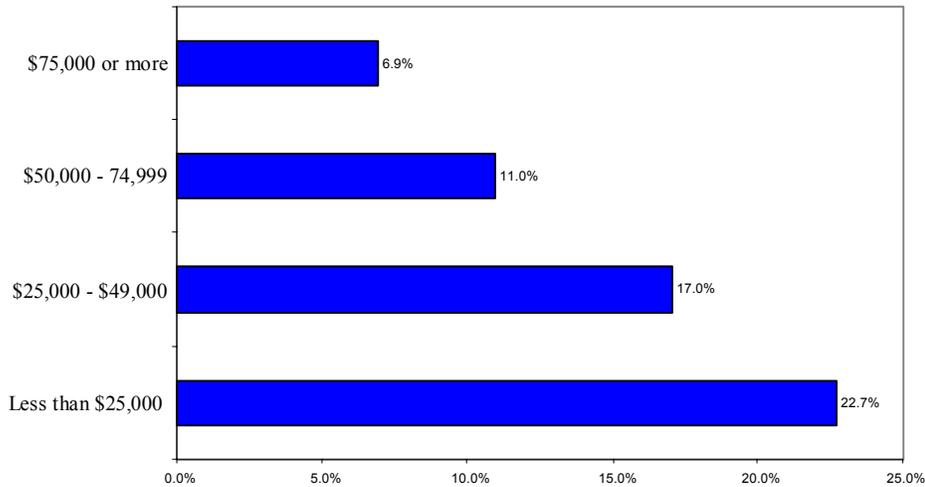
Figure 50. Health Insurance Trends in the U.S., 1987 - 2001



Source: U.S. Census, Current Population Survey, 1988-2002 Annual Demographic Supplements

In 2001, over half of the newly uninsured lived in households with income of \$75,000 or greater, a relatively new impact of our sputtering national economy. While the growth in uninsured households is found in higher income brackets, the greatest numbers of uninsured continue to be lower income households.

Figure 51. Percent of Households with No Health Care Coverage, by Income

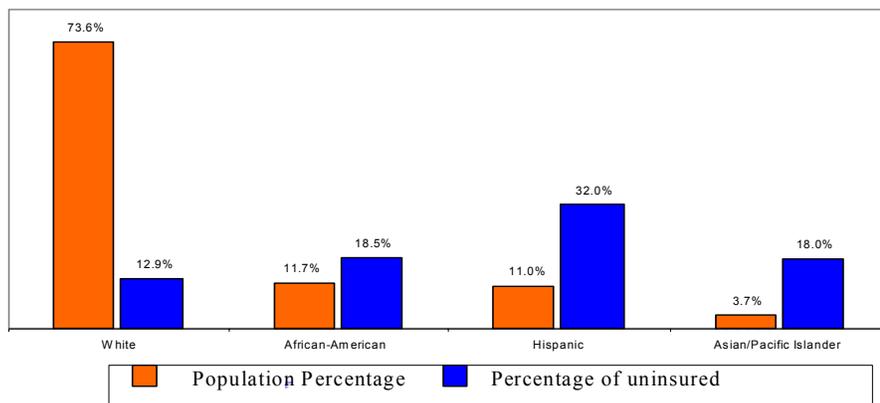


Source: U.S. Census Bureau, Health Insurance Coverage, 2000, September, 2001

Who is uninsured?

Minorities are more likely to lack health insurance and at a disproportionate rate.

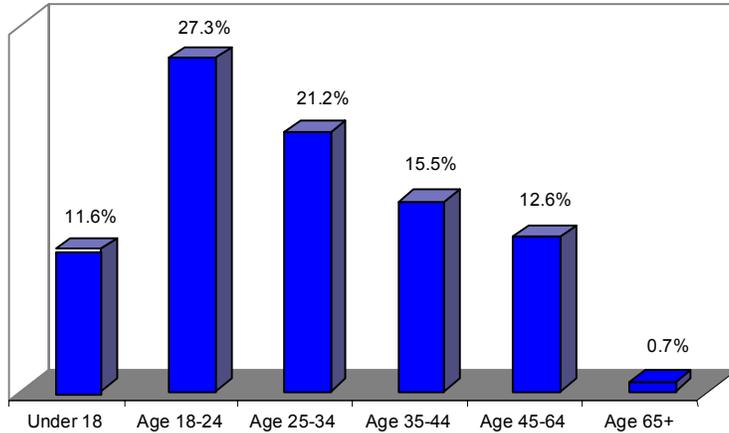
Figure 52. Percentage of Uninsured Population in U.S. by Race



Source: U.S. Census Bureau, Health Insurance Coverage, 2000 - September 2001

Insurance coverage rates vary by age as well. Young adults have the highest uninsured rates in the United States, according to 2000 survey results.

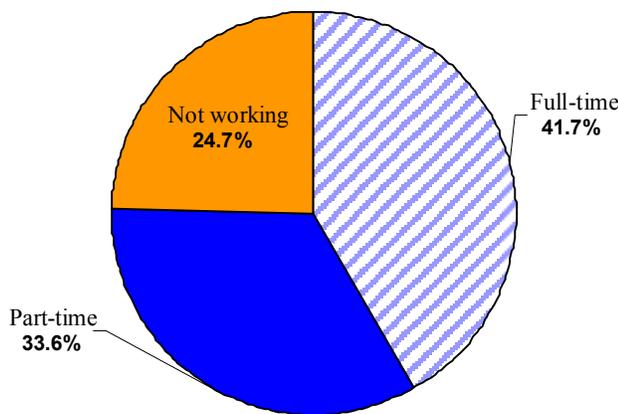
Figure 53. Percent Uninsured, by Age



Source: U.S. Census Bureau, Health Insurance Coverage, 2000 - September 2001

Although most health insurance in the United States is employment based (61.3% as of 2002), the availability of this coverage varies. The majority of uninsured adults are employed.

Figure 54. Employment Status of Uninsured Adults

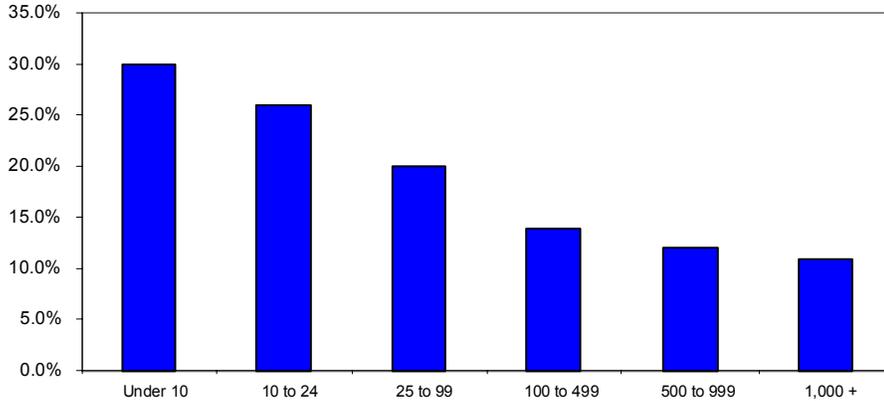


Source: GAO analysis of the March 2000 Supplement, Current Population Survey of non-elderly adults.

These uninsured workers are most likely to be working in an industry or company where health coverage is not offered. More than 30% of workers in construction, mining, forestry and fisheries were uninsured according to 2000 survey data from the Census Bureau. By contrast, ten percent or less of workers in finance, insurance, real estate or public employment were uninsured. Company size also impacts the likelihood of health

insurance coverage for employees. Employees of small companies are more likely to be uninsured.

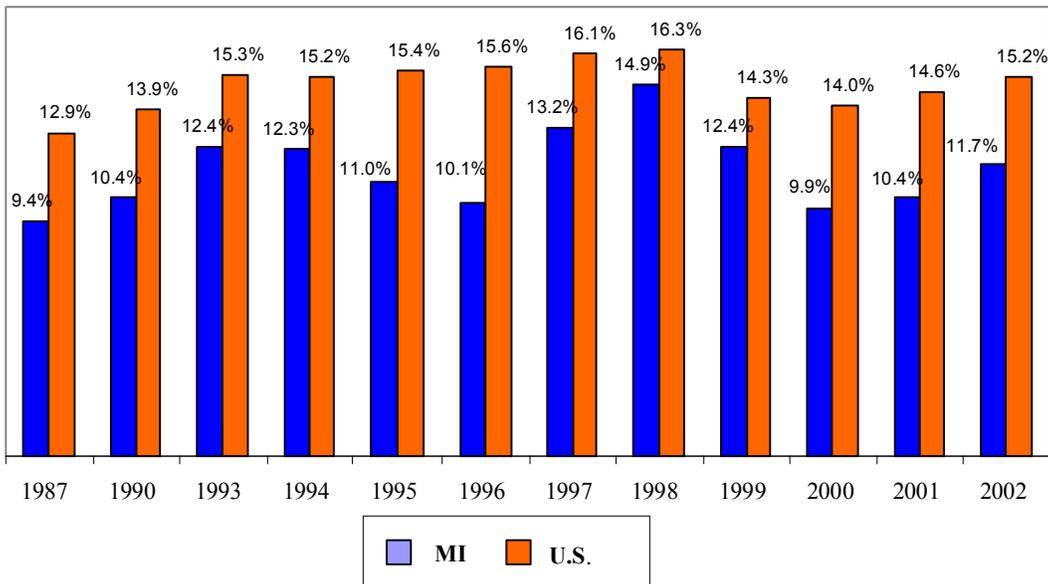
Figure 55. Percent of Uninsured, by Employer Size



Source: GAO analysis of the March 2000 Supplement, Current Population Survey of non-elderly adults

Fewer Michigan residents are uninsured than the nation as a whole, although the gap is narrowing as the uninsured population in Michigan grew in 2001 and 2002.

Figure 56. Rates of Uninsured in the U.S. and Michigan, 1987 - 2002



Source: U.S. Census Bureau, Historical Health Insurance Tables, Table HI-4

Who is most likely to have a lapse in health insurance coverage, and for how long?

Health insurance coverage is associated with life circumstances, such as employment, retirement or eligibility for public assistance. Using data from the Survey of Income and Program Participation (SIPP), from 1996 to 1999, the Census Bureau researched who is most likely to have a lapse in health insurance. Their findings:

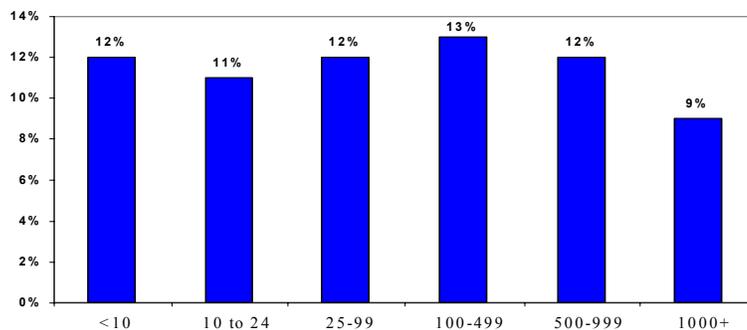
- Young adults (between 18-24) were the most likely to have a lapse in insurance for at least one month. 62.5% were not continuously insured for the 36 months studied.
- Those who were poor were less likely to have continuous health insurance coverage: 73.8% of those above 100% of poverty had continuous coverage, while 36.5% of those with income below 100% of poverty had continuous coverage.
- Women are less likely than men to have a lapse in coverage—31% of women compared to 33.3% of men. This is attributed to the fact that more women than men are eligible for Medicaid coverage.
- In terms of race and ethnicity, the percentages of people who had at least one month lapse over the 36 months were: 25.9% for Whites (not Hispanic); 46.7% for African Americans; and 56.3% for Hispanics.
- 24.5% of those with at least one year of college had at least a one-month lapse in coverage; 27.6% of those completing high school and 34.8% of those with less than a high school diploma had at least one month lapse in health care coverage.

Of those who had a break in their health insurance coverage, the median length of time without coverage was 5.6 months overall. The median time for the break in insurance coverage varies by education level, with the median lapse of 8.8 months for those without a high school diploma, and 4.9 months for those with at least one year of college.

What is the impact of being uninsured?

The Kaiser Family Foundation studied this question in 2002 and reached the conclusion that the consequences of being uninsured are that the individual (and family) are sicker and poorer. First, being uninsured results in poorer health. Compared to the insured,

Figure 57. Percentage Increase in Annual Earnings Associated with Good Health, by Employer Size



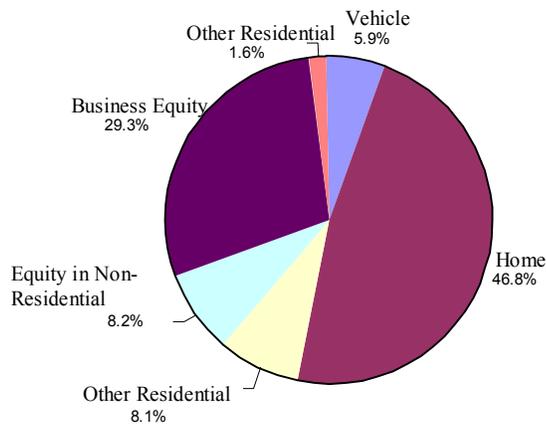
Source: Kaiser Family Foundation

uninsured persons had a higher relative risk of a major health decline (a relative risk of 1.41 if they were intermittently uninsured and a relative risk of 1.6 if they were continuously uninsured). Further, citing research issued in 2000, the report concluded that poor health negatively affects a worker's earnings, and this negative impact varies by employer size.

Poverty & Savings

Most American families hold their family wealth in the home. A home, on average, is 46.8% of a household's assets. On average, 66.2% of all families own a home. However, in families with income under \$25,000, less than half own a home.

Figure 58. Assets as Percent of Total Household Wealth



Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances

Table 20. Percent of Families holding Select Non-Financial Assets by Household Characteristics

	Vehicle	Home	Other Res.	Equity in Non-Res.	Business Equity	Other
All Families	84.8	66.2	12.8	8.6	11.5	8.5
Less than \$10,000	51.3	34.5	0.0	0.0	3.8	2.6
\$10,000 to \$24,999	78.0	51.7	5.8	5.0	5.0	5.6
\$25,000 to \$49,999	89.6	68.2	11.4	7.6	10.3	9.4
\$50,000 to \$99,999	93.6	85.0	19.0	12.0	15.0	10.2
\$100,000 or more	88.7	93.3	37.3	22.6	34.7	17.1

Source: U.S. Census Bureau, Statistical Abstract of the United States: 2002, Income, Expenditures and Wealth, No. 676, using 1998 data.

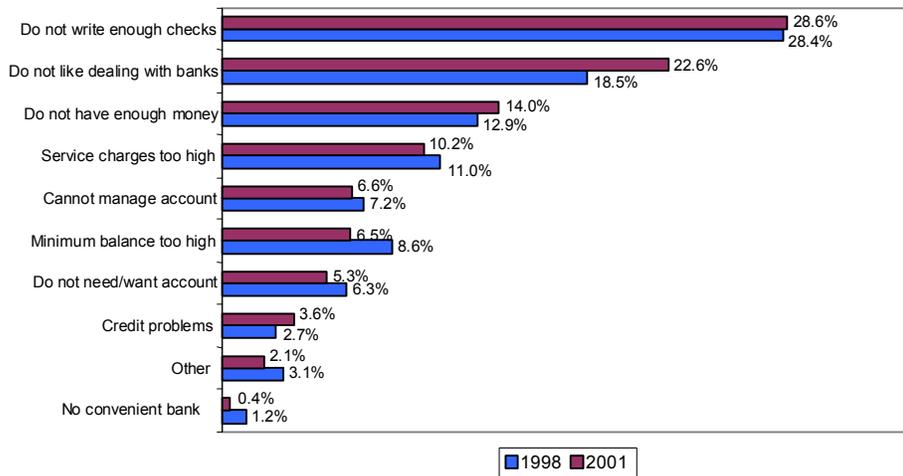
Who has banking accounts?

According to Federal Reserve data, 12.7% of families did not have a checking account in 2001. This represented a decrease from 1998's rate of 13.2 percent.

- Of those without a checking account in 2001, 50.4% had a bank account in the past.
- 59.3% were in the lowest 20% of income levels.
- 55.8% were in households headed by a person younger than 45.
- 57.4% were non-white or Hispanic.

When surveyed, the following reasons were given for not having a checking account.

Figure 59. Reasons for No Checking Account

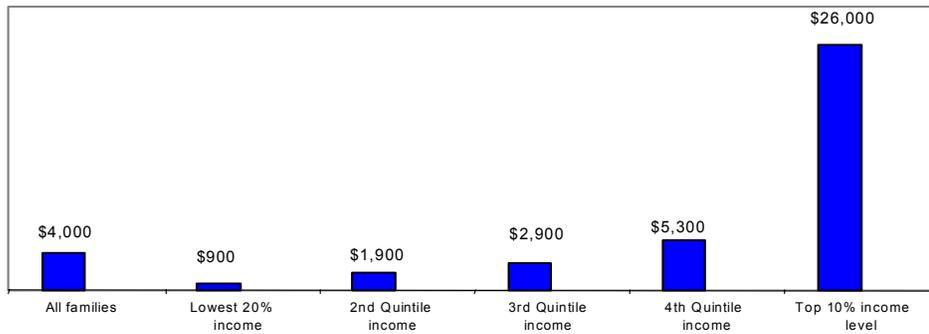


Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances

Responses varied between those who never had a checking account and the smaller group of those who once had an account, but no longer did. Of those who had a checking account in the past, the response “do not like banks” dropped to 18.2% and the responses “service charges too high” and “credit problems” rose to 12.8% and 6.3% respectively.

While the amount saved varies by household income, significant checking/savings account balances are only held by the top 10% of income households.

Figure 60. Median Value of Checking/Savings Accounts in 2001, by Income



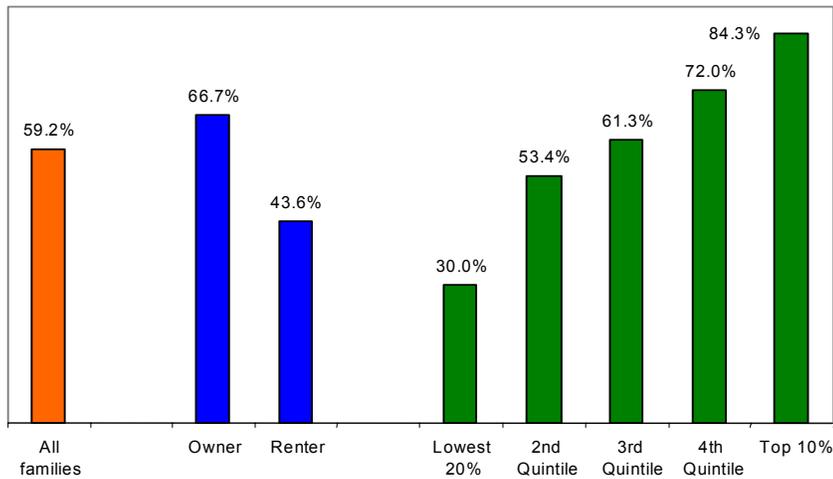
In 2001, the income ranges for quintiles were: Lowest below \$17,959; second quintile up to \$33,312; third up to \$53,000 and fourth up to \$83,500.

Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances

Who Saves?

Owners are more likely to save than renters, and the greater the income the more likely a household is to have savings accounts.

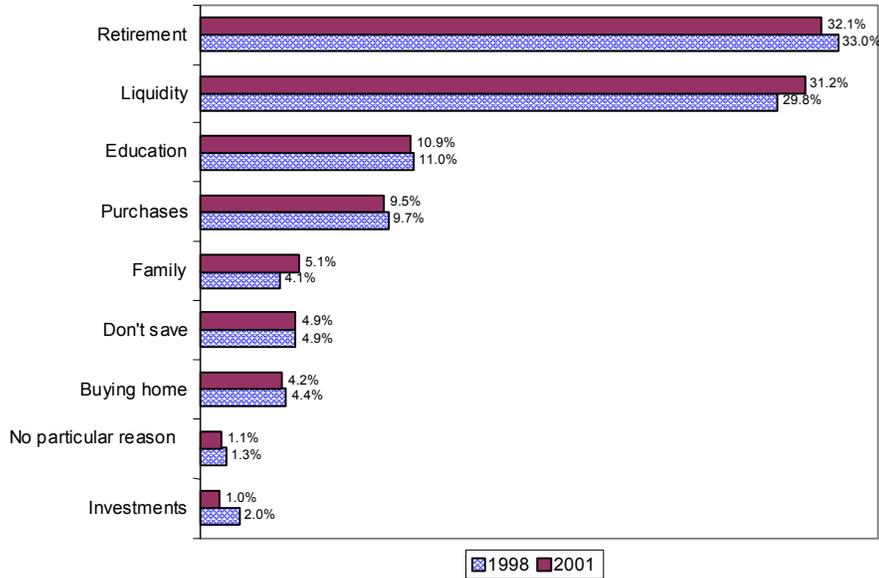
Figure 61. Percent of Households with Savings Accounts



Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances

When surveyed nationally, families reported the following purposes for their saving efforts.

Figure 62. Purpose of Family Saving

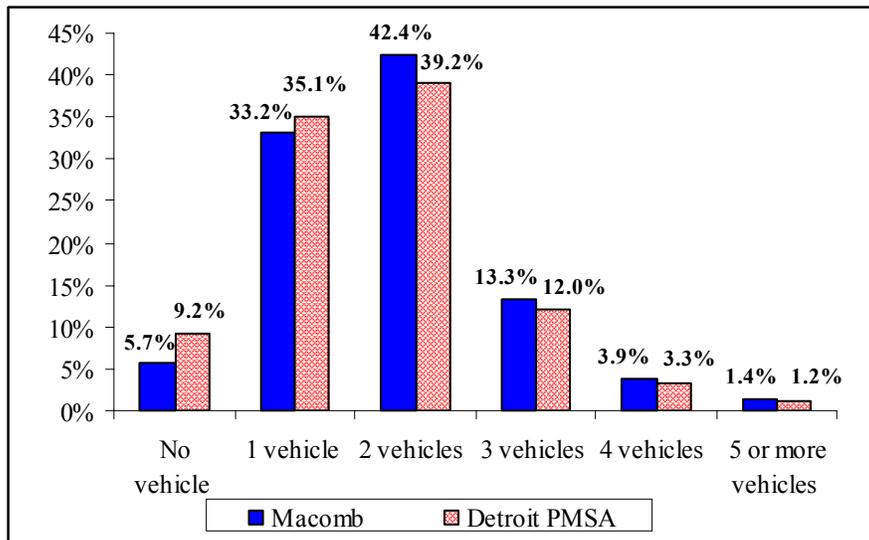


Source: Federal Reserve Bulletin, January 2003, Recent Changes in the U.S. Family Finances

Poverty & Transportation

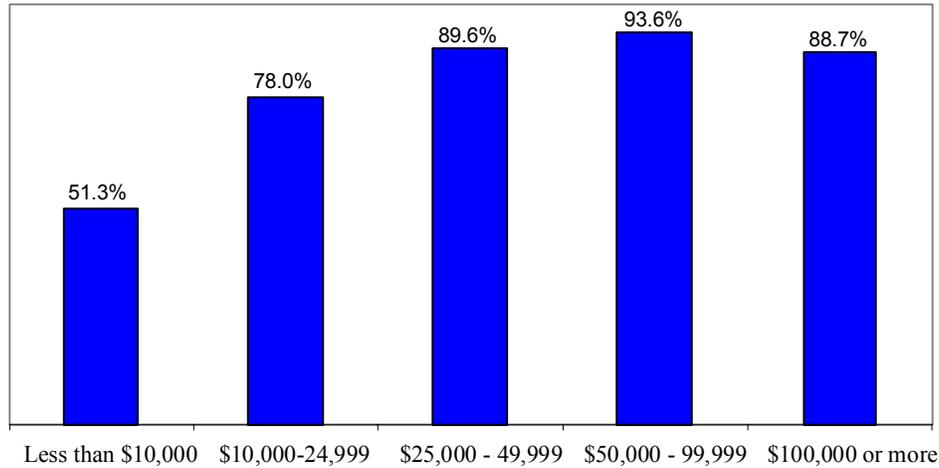
The majority of households in the three counties have two or more vehicles available, while a small percentage of residents in the three counties had no vehicle. Those without a vehicle are much more likely to be low income.

Figure 63. Number of Vehicles Available



Source: U.S. Census Bureau, 2000 Census: SF3

Figure 64. Vehicle Ownership by Income



Source: U.S. Census Bureau, Statistical Abstract of the United States: 2002, Income, Expenditures and Wealth, No. 676, using 1998 data.

Poverty & Neighborhoods

How we feel about our lives is dependent to a large degree on where we live. Peoples' satisfaction with their lives ties to their opinions on safety, neighbors, appearance of the neighborhood and neighborhood amenities. There are clear differences by income, in residents' opinion of their neighborhood, according to the U.S. Census Bureau Extended Measures of Well-Being- Living Conditions in the United States: 1998.

Table 21. Residents' Opinion of their Neighborhood by Income

Question	All	Midwest	Below Poverty	Above Poverty
Don't stay at home for safety	87.1	88.9	76.7	88.6
Don't carry anything to protect self	92.5	93.8	90.1	92.8
Don't take someone when going out	88.5	90.0	80.2	89.6
Not afraid to walk	71.2	73.4	64.3	72.2
No trash/litter in area	92.0	92.0	88.3	92.6
No street repair problems	83.6	84.5	79.5	84.2
No abandoned buildings	91.8	92.9	86.1	92.6
No traffic noise problems	78.6	77.8	73.4	79.3
Satisfactory neighborhood	95.0	95.8	91.1	95.6
Not considered bad enough to want to move	94.2	94.9	89.7	94.8
Satisfactory public services	94.7	95.9	92.3	95.1
Services not considered poor enough to want to move	98.2	98.4	96.9	98.4

Source: U.S. Census Bureau, Extended Measures of Well-Being, Living Conditions, 1998

Poverty & Substance Abuse

It is estimated that in 2001, 16.6 million Americans age 12 and older were dependent on or abused either alcohol or illicit drugs. This is 7.3% of the population and it is an increase from 6.5% of the population in 2000. Of illicit drug users, 76% are marijuana users.

- Men are more likely than women to be substance abusers or substance dependent (10.0% vs. 4.9%). Younger persons (age 18-25) are much more likely (18.4%) to be dependent/abusers than those over age 26 (5.4%).
- Lower education levels correlate to higher abuse levels. Those not completing high school have the highest rate (at 8.2%), while college graduates have the lowest rate (6.1%).
- As of 2001, it is estimated that 15.4% of unemployed adults age 18 or older were substance abusers or dependent: 77% of all substance abusers/dependents are employed, either full or part-time.
- Native Americans have the highest rate for substance dependence or abuse, at 13.9%. Hispanics are next highest at 8.7, then Whites (7.5%), African Americans (6.2%) and Asians (3.7%).

Source: National Households Survey on Drug Abuse, 2001: HHS, SAMHSA

Impact on Poverty

- The 1995 amendments to the Social Security Act removed drug addiction and alcoholism as a category of disability for SSA or SSI eligibility.
- The 1996 Welfare Reform Act included a lifetime ban on welfare assistance to anyone convicted of a drug felony. (Michigan has not adopted this lifetime ban).
- The 1998 amendments to the Higher Education Act deny or delay federal financial aid to anyone convicted of a drug offense.
- In *HUD v. Rucker*, 2002, the U.S. Supreme Court ruled that public housing authorities can evict an entire family if a household member or guest used drugs.

Poverty & Mental Health

According to studies using the survey data in the National Household Survey of Drug Abuse (NHSDA) from 1994-1996, single mothers have significantly higher rates of mental health disorders, low-income single mothers have significantly higher rates of psychiatric disorders than single mothers with higher income, and single mothers receiving welfare have a statistically higher rate of psychiatric disorders than single mothers who do not receive welfare. These data indicates that 17% of all single mothers, 22% of women receiving welfare and 20 % of non-working single women experienced a

psychiatric disorder within the previous year. Statistically, having a psychiatric disorder is associated with a 25% lower likelihood of working.¹⁸

Poverty and FIA Caseload Trends

While the county's poverty rate increased by only one-half point over the decade of the 1990's, that increase, coupled with the county's population growth, resulted in 7,128

Table 22. Change in Poverty Population by MCD for Macomb County, 1989 – 1999

1990 to 2000 Change	Number below poverty level							
	Total	Under 5 years	5 years	6 to 11 years	12 to 17 years	18 to 64 years	65 to 74 years	75 years and over
Macomb County	7,128	57	26	528	468	4,970	-178	1,257
Sterling Heights city	2,327	122	-11	186	217	1,310	176	327
Shelby charter township	1,025	55	15	127	84	544	61	139
Warren city	809	-53	-19	-209	15	957	-168	286
Clinton township	688	-29	-22	33	-59	403	62	300
Chesterfield township	654	107	13	63	167	306	-19	17
Roseville city	618	31	8	40	84	558	-128	25
Eastpointe city	435	-57	32	106	46	298	-92	102
Macomb township	430	96	22	80	-42	253	-13	34
Center Line city	349	70	0	44	10	227	-36	34
Mount Clemens city	179	28	35	27	-15	201	-11	-86
Harrison township	160	-48	7	80	50	35	-18	54
Richmond city	132	22	14	-1	31	79	-28	15
Richmond township	42	5	0	24	8	-18	13	10
Lenox township	33	-8	-37	-30	-31	112	7	20
Washington township	29	-8	1	48	-22	63	-20	-33
Memphis city	10	-7	-2	4	4	5	5	1
Lake township	2	0	0	0	0	0	2	0
Utica city	-23	1	0	-12	-16	-89	59	34
Armada township	-58	-7	2	-21	0	-1	-11	-20
Fraser city	-94	-91	-5	57	-30	31	-47	-9
Ray township	-102	-22	-5	-11	-1	-71	5	3
St. Clair Shores city	-130	-66	-14	-27	27	-51	40	-39
Bruce township	-185	-10	0	-44	9	-156	10	6
New Baltimore city	-202	-74	-8	-36	-68	-26	-27	37

¹⁸ Data contained in *Mental Health Problems Among Single Mothers: Implications for Work and Welfare Reform*: R Jayakody and D. Stauffer.

more persons in poverty in 1999 than in 1989. A review of Table 22 shows which age groups and which communities were most affected. Over 1,000 children (primarily over the age of 6 years) were added to the poverty ranks. On the other end of the age continuum, the population 75 years and over experienced an increase in poor of 1,257 persons. In both cases we are pointing out persons of an age that makes them dependent upon others for care. An increase in poverty in these groups greatly affects service needs. Finally, in spite of the robust economy, almost 5,000 more working-age residents of Macomb County fell below the poverty income threshold over the decade.

Seventeen of the 24 Macomb County communities saw their poverty ranks grow. The greatest numerical increases occurred in the larger communities, including some with relatively high median incomes. Sterling Heights and Shelby Township experienced the largest gains, followed by Warren, Clinton and Chesterfield townships, and Eastpointe.

The Census Bureau provides two sources of poverty estimates that can be used to update the 2000 Census results. Both, however, contain a great deal of sampling error, and thus we include the low and high estimate values to provide the “range within which the true value is believed to fall.”

1. The Bureau, with support from other Federal agencies, created the Small Area Income and Poverty Estimates (SAIPE) program to provide more current estimates of selected income and poverty statistics than the most recent decennial census. Estimates are created for states, counties, and school districts. The main objective of this program is to provide updated estimates of income and poverty statistics for the administration of federal programs and the allocation of federal funds to local jurisdictions.
2. The American Community Survey is a new nationwide survey designed to provide communities a fresh look at how they are changing. It will replace the long form in future censuses and is a critical element in the Census Bureau’s reengineered 2010 census plan.

Table 23. Change in Poverty Population for Macomb County, 1999 – 2002

Year	Estimate of people of all ages in poverty	low	high	Estimated percent of people of all ages in poverty	low	high	Estimate of people age 0-17 in poverty	low	high	Estimated percent of people age 0-17 in poverty	low	high
2002	57,652	45,269	70,035	7.1	5.6	8.6	16,801	12,773	20,829	8.7	6.6	10.8
2001	48,329	38,244	58,414	6.0	4.8	7.3	14,689	11,174	18,204	7.7	5.8	9.5
2000	44,207	35,222	53,191	5.6	4.4	6.7	14,084	10,988	17,179	7.4	5.8	9.1
1999	44,506	34,753	54,259	5.7	4.4	6.9	15,786	11,970	19,601	8.3	6.3	10.4

Source: Census Bureau – SAIPE

The 1999 poverty population (44,506) estimated by the SAIPE program is very close to the census count of 44,010. After a small dip in 2000, the last year of the strong economy, the poverty population of Macomb County began to climb. The estimated total of 57,562 in 2002 was 29.5 percent higher than the 1999 estimate. One can assume, based on economic trends that this total grew again in 2003 and remained fairly steady in 2004. There is a great deal more variance in the child poverty numbers, thus introducing a greater degree of caution in making any interpretations. Suffice it to say, the trend of increasing numbers is present, with a large jump between 2001 and 2002.

A more recent estimate is available through the American Community Survey. This survey is conducted throughout the year, rather than with one reference date, as the Census has with April 1. As a result, the methodologies preclude direct comparisons with the Census. These estimates of total Macomb County residents in poverty in 2002 agree with the SAIPE estimates. While one would expect another rise in poverty in 2003, the ACS numbers show a significant decline. We await the release of 2004 estimates to determine whether this trend will continue.

Table 24. Change in Poverty Population for Macomb County, 2002 – 2003

	2003			2002		
	Estimated Value	Range		Estimated Value	Range	
		Low	High		Low	High
Families	10,811	7,959	13,663	12,495	9,395	15,595
With related children under 18 years	8,172	5,553	10,791	9,542	6,999	12,085
With related children under 5	1,770	499	3,041	3,227	1,348	5,106
Female householder, no husband	5,623	3,240	8,006	5,874	3,599	8,149
With related children under 18 years	5,231	2,915	7,547	5,248	3,090	7,406
With related children under 5	1,406	218	2,594	1,513	101	2,925
Individuals	48,143	39,156	57,130	57,833	47,798	67,868
18 years and over	33,246	27,674	38,818	39,583	32,719	46,447
65 years and over	6,438	4,235	8,641	8,457	4,913	12,001
Related children under 18 years	14,682	9,662	19,702	18,028	12,336	23,721
Related children 5 to 17 years	10,628	6,493	14,763	12,793	7,630	17,956
Unrelated individuals 15 years and	16,562	13,183	19,941	20,633	15,162	26,104

Source: American Community Survey (ACS)

The Michigan Family Independence Agency (FIA) provides the final data source that is available to help us determine trends in county needs. Table 25 compares trends across FIA programs for Michigan and Macomb County between 2000 and 2003, using the change in population as a base of comparison. The results show:

1. The FIP program, which is designed to help families achieve self-support and independence, which provides monthly cash assistance for personal needs, housing,

heat, utilities and food grew by 17 percent in Macomb County, while dropping by 3 percent statewide.

2. The Food Assistance program works in conjunction with FIP and is based on family income and size. Here again Macomb County outdistanced the State with a caseload increase of 99 percent, compared to 36 percent.
3. Family Medicaid provides medical assistance to families and individuals who could not otherwise afford it. Macomb County's caseload grew by 66 percent over the period while the State's caseload grew by 38 percent.
4. Child day care is provided for parents who are working or going through workforce training. Macomb County's caseload growth rate outdistanced the state by almost 50-fold.

Table 25. Population and Case Load Trends in Michigan and Macomb County, 2000 – 2003

	Population	Family Independence Program (FIP)	Food Assistance (FAP)	Family Medicaid	Child Day Care
MACOMB COUNTY					
2003	813,948	2,121	16,330	20,652	2,449
2000	788,149	1,811	8,223	12,443	1,701
% Change	3.3%	17.1%	98.6%	66.0%	44.0%
STATE OF MICHIGAN					
2003	10,079,985	72,463	356,109	545,009	62,052
2000	9,938,444	74,780	261,843	396,197	61,691
% Change	1.4%	-3.1%	36.0%	37.6%	0.6%

Source: Michigan FIA: RD-030, RD-200 & InfoView Corporate Documents

Table 26 provides some good news within this increased service demand. Welfare reform has required recipients to get jobs in order to continue receiving support services.

Table 26. Significant Case Changes for Macomb County, 2000 – 2004

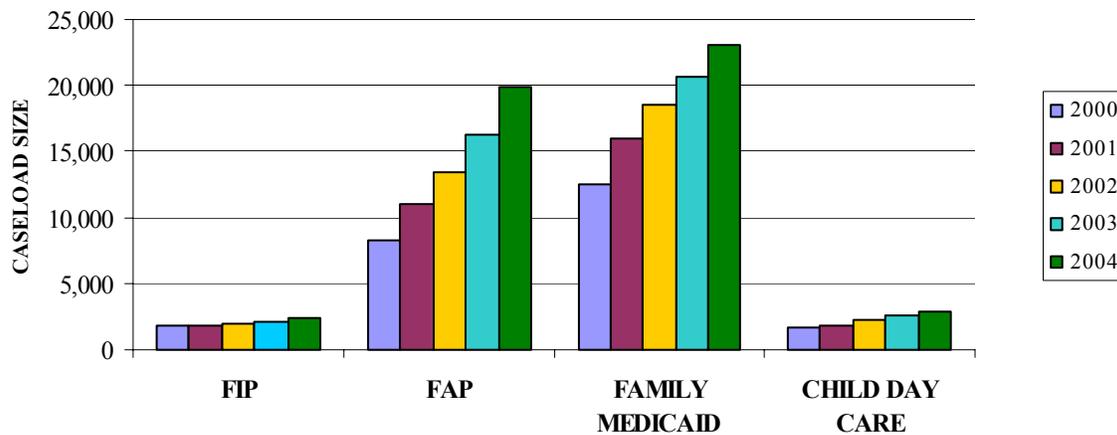
	2004	2000	% Change
FIP			
Avg. Grant Amt.	\$ 388.00	\$ 338.00	14.8%
# of Cases w/Earned Income	384	575	-33.2%
Avg. Earned Income	\$ 750.00	\$ 721.00	4.0%
FAP			
Avg. Grant Amt.	\$ 89.01	\$ 67.86	31.2%
# of Cases w/Earned Income	6,339	2,370	163.2%
Avg. Earned Income	\$ 1,027.00	\$ 873.00	17.6%
FAMILY MEDICAID			
# of Cases w/Earned Income	12,305	6,316	94.6%
Avg. Earned Income	\$ 1,166.00	\$ 1,073.00	8.7%
CHILD DAY CARE			
Avg. Pay't to Provider per Case	\$ 496.13	\$ 468.79	5.8%
# of Cases w/Earned Income	2,016	1,181	70.7%
Avg. Earned Income	\$ 1,123.00	\$ 1,118.00	0.4%

Source: Michigan FIA: EY-044, EY-180, & InfoView Corporate Documents

These data show, across programs, that, while the average income earned continues to be quite low, the share of recipients with earned income has increased between 2000 and 2004. The hope is that an improved economy, coupled with skills gained on the job, will lead to increasing numbers of families and individuals coming off the roles. This process will be a slow one due to the fact that most recipients have no more than a high school degree or equivalent and are working in low-skilled, low pay, retail and service jobs.

We complete the analysis of need with a 5-year look at FIA program caseloads in Macomb County. An analysis of the same four programs we covered in Table 25 shows a steady increase from 2000 through 2004. The County has yet to turn the corner from the economic downturn that began in late 2000 and, while the forecast is somewhat optimistic that the job picture will turn around, there is little expectation that service needs in Macomb County will begin to diminish in the near term.

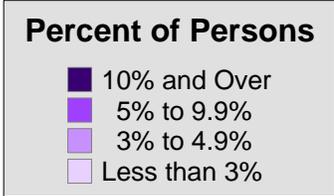
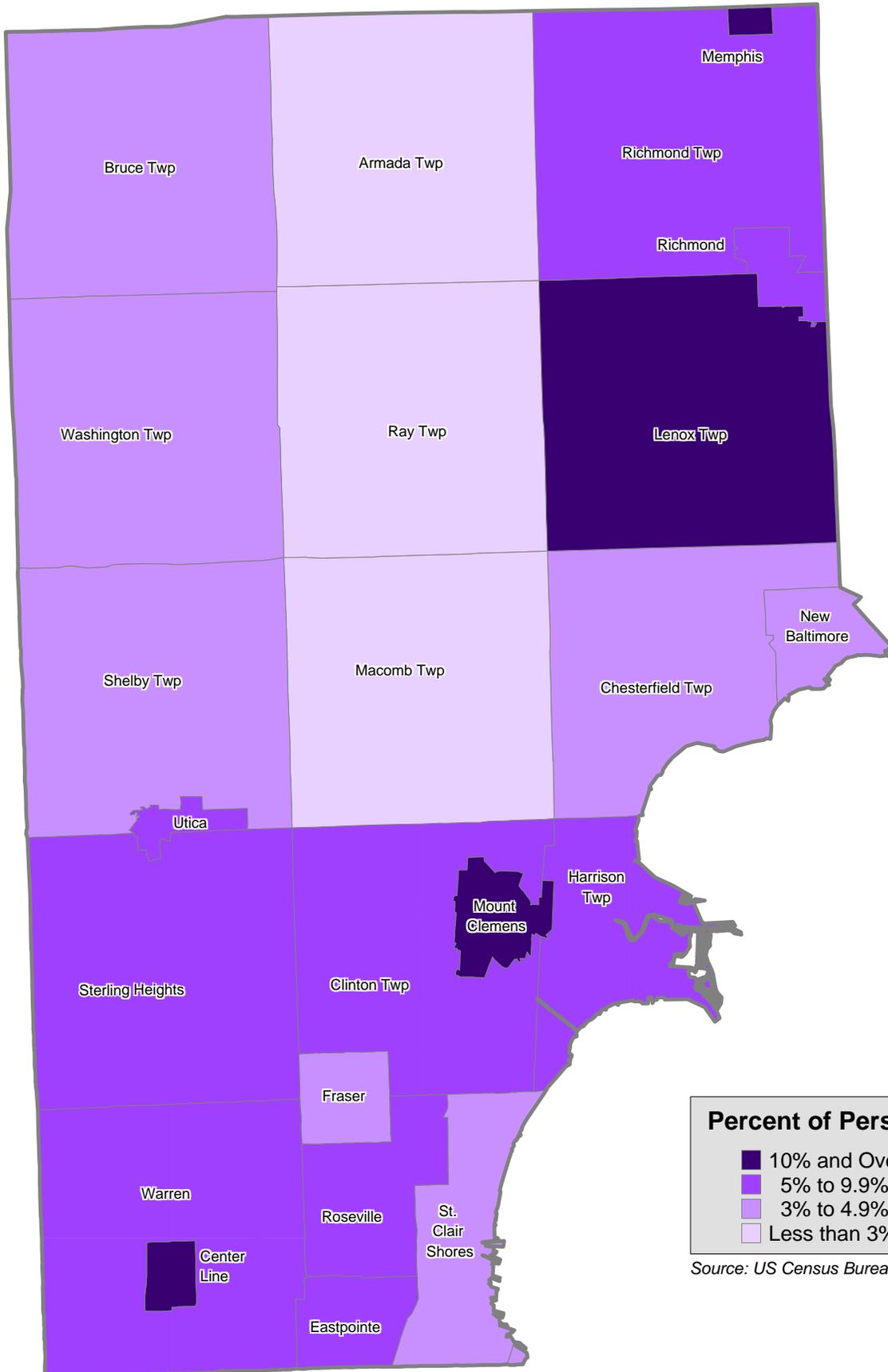
Figure 65. Macomb County FIA Caseload Trends by Program Type and Year



APPENDIX

Persons Living Below Poverty

Macomb County, Michigan



Source: US Census Bureau